创新奇智
AInnovation

AINNOVATION TECHNOLOGY GROUP CO., LTD

創新奇智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)

（於中華人民共和國註冊成立的股份有限公司）

Stock Code 股份代號: 2121

2025

Interim Report
中期報告

CONTENTS

Corporate Information

Below is the basic information of the Company:

COMPANY'S LEGAL NAME

創新奇智科技集團股份有限公司

COMPANY'S ENGLISH NAME

AInnovation Technology Group Co., Ltd*

BOARD OF DIRECTORS

Executive Director

Mr. Xu Hui *(Chief Executive Officer)*

Non-Executive Directors

Dr. Kai-Fu Lee *(Chairman)*

Mr. Wang Hua

Mr. Wang Jinqiao

Independent Non-Executive Directors

Mr. Xie Deren

Ms. Ko Wing Yan Samantha

Ms. Jin Keyu

AUDIT COMMITTEE

Mr. Xie Deren *(Chairman)*

Mr. Wang Hua

Ms. Ko Wing Yan Samantha

REMUNERATION COMMITTEE

Ms. Ko Wing Yan Samantha *(Chairwoman)*

Mr. Wang Jinqiao

Mr. Xie Deren

NOMINATION COMMITTEE

Dr. Kai-Fu Lee *(Chairman)*

Ms. Ko Wing Yan Samantha

Ms. Jin Keyu

SUPERVISORY COMMITTEE

Ms. Lin Ying

Ms. Duan Chengjin

Ms. Gao Lingyan

COMPANY SECRETARIES

Ms. Lv Hongyu

Ms. Kwan Sau In (resigned on 31 March 2025)

AUTHORIZED REPRESENTATIVES

Mr. Xu Hui

Ms. Lv Hongyu

REGISTERED OFFICE AND HEADQUARTER

Room 501

Block A, Haier International Plaza

No. 939 Zhenwu Road, Economic Development Zone

Jimo District, Qingdao

Shandong, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1928, 19/F, Lee Garden One

33 Hysan Avenue, Causeway Bay

Hong Kong

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants and Registered

Public Interest Entity Auditor

22/F, Prince's Building

Central

Hong Kong

*   For identification purposes only

LEGAL ADVISORS

As to Hong Kong Law

Clifford Chance

27/F, Jardine House

One Connaught Place

Central

Hong Kong

As to PRC Law

King & Wood Mallesons

18/F, East Tower

World Financial Center

No. 1 Dongsanhuan Zhonglu

Chaoyang District, Beijing

PRC

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712–1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wan Chai

Hong Kong

PRINCIPAL BANK

Bank of China Jimo Branch

No. 973 Lanao Road
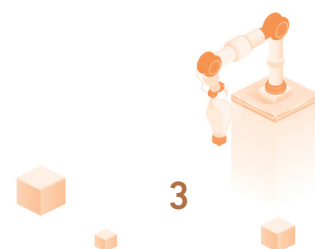
Jimo District

Qingdao, Shandong

PRC

STOCK CODE

2121

COMPANY'S WEBSITE

https://www.ainnovation.com

INVESTOR RELATIONSHIP

Telephone: (86)1082169566

Email: ir@ainnovation.com
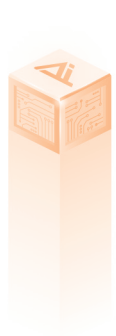
Definition

"Articles of Association"	the articles of association of the Company, as amended, modified or supplemented from time to time
"Audit Committee"	audit committee of the Board
"Board" or "Board of Directors"	the board of directors of our Company
"China" or "PRC"	the People's Republic of China, but for the purpose of this report only, do not apply to Hong Kong, the Special Administrative Region of Macau and Taiwan
"Company" or "AInnovation" or "our Company"	AInnovation Technology Group Co., Ltd. (創新奇智科技集團股份有限公司), which was established with limited liabilities under the laws of the PRC on 6 February 2018 and converted into a joint stock limited company on 19 May 2021, whose H shares are listed on the Main Board of the Hong Kong Stock Exchange on 27 January 2022 (stock code: 2121)
"Director(s)"	the director(s) of our Company
"Group" or "our Group" or "we" or "us"	our Company and our subsidiaries
"H Share(s)"	overseas-listed shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are to be traded in Hong Kong Dollars and are listed and traded on the Hong Kong Stock Exchange
"HK$" or "Hong Kong Dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Latest Practicable Date"	10 September 2025, being the latest practicable date for ascertaining certain information in this report before its publication
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented, or otherwise modified from time to time
"Nomination Committee"	nomination committee of the Board
"Nuosai Yucheng"	Nanjing Nuosai Yucheng Management Consulting Company Limited (南京諾賽育成管理諮詢有限公司, formerly known as Beijing Sinovation Ventures Yucheng Management Consulting Co., Ltd. (北京創新工場育成管理諮詢有限公司)), a company incorporated under the laws of the PRC on 13 July 2015, and a member of our Single Largest Shareholders Group
"Prospectus"	the prospectus of the Company dated 17 January 2022
"Remuneration Committee"	remuneration committee of the Board
"Reporting Period"	the six months ended 30 June 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Share(s)"	H Share(s)
"Shareholder(s)"	holder(s) of the Shares
"Single Largest Shareholders Group"	a group of entities and individuals collectively holding approximately 27.40% of the share captial in our Company, namely Sinovation Ventures, Nuosai Yucheng, Mr. Wang Hua, Ms. Tao Ning, Ms. Lang Chunhui and Mr. Zhang Ying
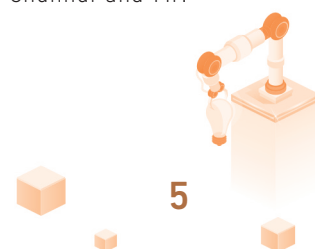
"Sinovation Ventures"	Sinovation Ventures (Beijing) Enterprise Management Limited (創新工場(北京)企業管理股份有限公司), a company incorporated under the laws of the PRC on 2 November 2010, and a member of our Single Largest Shareholders Group
"Supervisor(s)"	the supervisor(s) of our Company
"Supervisory Committee"	supervisory committee of the Company
"Treasury Share(s)"	has the meaning ascribed to it under the Listing Rules
"%"	percent

Financial Summary

Financial Summary

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**698,981**	571,704
Gross profit	**244,728**	193,225
Operating loss	**(62,187)**	(190,751)
Loss for the period	**(60,513)**	(184,553)
Add:		
Share-based payment expenses	**36,965**	42,085
Amortization of intangible assets arising from acquisition	**15,345**	21,860
Impairment loss on goodwill and intangible assets arising from acquisition	**—**	19,580
Changes in fair value of financial assets/liabilities at fair value through profit or loss	**1,522**	63,620
Adjusted net loss (Unaudited)	**(6,681)**	(37,408)

Revenue-By Type of Products/Services

	For the six months ended 30 June			
	2025		2024	
	Amount		Amount	
	RMB'000	**%**	RMB'000	%
Sales of products and solutions	**626,137**	**89.6**	539,685	94.4
Services of data solutions	**72,844**	**10.4**	32,019	5.6
Total	**698,981**	**100.0**	571,704	100.0

Revenue-By Customer Type

	For the six months ended 30 June			
	2025		2024	
	Amount		Amount	
	RMB'000	%	RMB'000	%
System integrators	355,620	50.9	220,230	38.5
End–users	343,361	49.1	351,474	61.5
Total	698,981	100.0	571,704	100.0

Revenue-By Industry Verticals

	For the six months ended 30 June			
	2025		2024	
	Amount		Amount	
	RMB'000	%	RMB'000	%
Manufacturing	555,561	79.5	437,489	76.5
Energy and Power	107,995	15.5	72,750	12.7
Automotive equipment	99,331	14.2	88,589	15.5
Food & Beverage and New Material	76,480	10.9	66,618	11.7
3C high-tech	73,322	10.5	54,461	9.5
Intelligent manufacturing practical training	53,703	7.7	49,683	8.7
Iron and steel metallurgy	45,271	6.5	50,211	8.8
Engineering and Construction	23,714	3.4	18,916	3.3
OLED panel semiconductors manufacturing	23,290	3.3	20,891	3.6
Others	52,455	7.5	15,370	2.7
Financial services	70,086	10.0	82,913	14.5
Other industries	73,334	10.5	51,302	9.0
Total	698,981	100.0	571,704	100.0

Business Overview

Part I: Business Review

In 2025, benefiting from the overall stabilization in the macroeconomic environment and the continued advancement of national strategy-level artificial intelligence policies, AInnovation maintained high-quality growth across its business segments by leveraging its solid foundation in AI technologies, industrial applications and commercial implementation. Revenue resumed its upward trend, operating cash flow continued to be solid and its ability of reducing losses and achieving profitability improved significantly. As of 30 June 2025, our revenue reached RMB699.0 million, representing a year-on-year increase of 22.3%. Gross profit margin further increased by 1.2 percentage points to 35.0%. Net cash used in operating activities amounted to RMB8.4 million and adjusted net loss significantly narrowed to RMB6.7 million.

Since its establishment in 2018, AInnovation has been firmly committed to the "AI + Manufacturing" industry and has launched a series of AI products and solutions covering the entire value chain of the manufacturing sector. Through technological innovation, product application, and scenario empowerment, AInnovation has built multi-dimensional competitive advantages, becoming a leading artificial intelligence technology enterprise in China focusing on the manufacturing industry. During the Reporting Period, AInnovation adhered to the strategy of "one model, one agent and two wings", whereby the AInnoGC industrial LLM served as the foundation and AI Agent served as the engine to drive industrial robots and industrial software applications, and all business segments developed steadily with improved quantity and quality. The AInnoGC industrial LLM underwent further technological upgrade, completing the adaptation of DeepSeek-R1 distilled AInno-75B technology. This upgrade significantly enhanced the reasoning capabilities of AInno-75B while maintaining its in-depth understanding of industrial knowledge and the advantage of low-cost private deployment. A brand-new AI Agent development platform was launched, enabling clients to rapidly build and deploy intelligent solutions based on LLM using a visual, low-code interface. The platform has been applied in various fields, including equipment operation and maintenance, intelligent data analysis in production and manufacturing, and teaching in intelligent manufacturing practical training. ChatCAD generative industrial design software has made a critical step from experimentation to practical application. The ChatRobot industrial embodied intelligence robots technology stack has become increasingly mature. It offers autonomous planning for task organisation and scheduling, as well as self-perception, analysis and decision-making capabilities. In this way it constitutes a "brain" for industrial robots that is highly generalizable, broadly applicable and easy to deploy. Moreover, it supports a "one brain, multiple bodies" architecture, making it compatible with a variety of robotic hardware platforms.

AInnovation has continued to advance the commercial deployment of industrial LLM within the manufacturing sector. According to the "China Large Model Application Market Share 2024"(《中國大模型應用市場份額2024》) published by IDC, we ranked seventh in terms of market share in China's LMM application market, and are the only company in the ranking that focuses exclusively on the industrial sector. In addition, leveraging its innovative technologies and practical achievements in the field of AI Agent, AInnovation was recognised in IDC's "China AI Agent Market Analysis and Vendor Recommendations" (《中國AI Agent市場剖析及廠商推薦》) as an enterprise-level AI Agent application technology provider. Furthermore, AInnovation was included in the "AI Agent Industry Landscape (智能體產業圖譜)" published by the China Academy of Information and Communications Technology as a representative vendor of intelligent agent in the industrial sector.

Business Overview

AInnovation has consistently placed great emphasis on research and development investment and scientific and technological innovation to ensure its technological leadership. As of 30 June 2025, we had filed a total of 1,394 patent applications, including 1,145 invention patents; and had been granted 630 patents in total, including 407 invention patents. "AInnoGC Industrial LLM" has completed registration with the Cyberspace Administration of China under the "Generative Artificial Intelligence Services" (《生成式人工智能服務》) filing system, making it one of the first LLMs in Qingdao to obtain such registration. "AInnoGC Industrial LLM" was also successfully selected as a key project under Shandong Province's 2025 "Revealing the List and Taking the Lead" initiative (「揭榜掛帥」攻關項目) for industrial LLMs in the manufacturing sector. In addition, we jointly released the "Research Report on Implementation of AI + Manufacturing Application (《人工智能+製造業應用落地研究報告》)" with the Artificial Intelligence Research Institute of CAICT. The report provides an in-depth analysis of the current status and key innovation directions of AI technology application in the manufacturing industry, and by integrating representative client cases of AI solutions offered by AInnovation to manufacturing enterprises, it demonstrates how AI drives intelligent upgrades across the entire value chain, including R&D and design, production and manufacturing, operation and management, and product and service delivery, showcasing profound industry insight.

We adhere to a dual-engine model of "technological products + industry scenarios", forging connections with upstream and downstream partners and building an industrial ecosystem. In the industrial software domain, we have established a strategic partnership with Bentley, a globally renowned infrastructure engineering software company, to jointly develop a new generation of intelligent infrastructure engineering software products. This collaboration aims to provide AI-powered intelligent engineering solutions, such as ChatCAD for professionals in the infrastructure industry. In the field of industrial embodied intelligence domain, we have formed strategic partnerships with KUKA, one of the world's top industrial robot manufacturers and Keenon Robotics, a leader in service robots, and have been committed to serving as the brain of robots in pan-industrial scenarios. We are working together to promote the application of embodied intelligece in the industrial sector. In the application of AI Agent field, we have entered into strategic collaborations with DingTalk of Alibaba and Hunlicar to explore multi-dimensional cooperation such as overseas application of financial industry solutions, digitalization of enterprise assets, and on-chain application solutions. At the same time, we have further expanded and deepened our cooperation with leading enterprises such as Advantech and CR Digital in the field of industrial agents.

During the Reporting Period, the Company carried out the following key initiatives:

In the first half of 2025, the Company, following its "one model, one agent and two wings" core strategy, continued to increase its R&D investment, proactively adopted new technologies, and drove the continuous improvement of its core products' maturity.

As the Company's core product for industrial embodied intelligence, ChatRobot is designed with the objective of "building an embodied-robotics platform that offers high generalizability and can be deployed across a wide range of real-world scenarios." To this end, we have concentrated on critical technology areas, such as multimodal perception, end-to-end generation, and cloud–edge collaborative control, and have continuously refined our three foundational systems (the control system, the intelligence system, and the data system). These efforts have substantially enhanced ChatRobot's overall capabilities and laid a solid groundwork for both product upgrades and market expansion in the second half of the year.
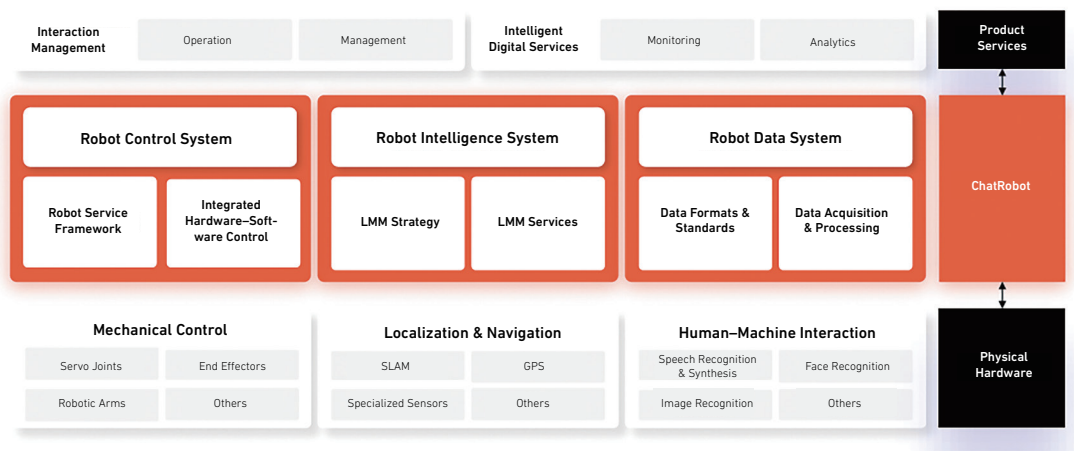

Figure (1) Core Systems of ChatRobot

1.   Control System - Integrated Hardware and Software Control

1.1   Hardware Platform Iteration

- Multi-generation Robotic Bodies in Parallel Progress: Four generations of platforms, CR-1 to CR-4(A/B), continue to iterate. Among them, CR-3, which was built in the first half of the year, focuses on industrial sorting and other scene data collection and algorithm verification; CR-4(A/B) focuses on modular design and hardware compatibility, with core components such as the chassis, robotic arm, and sensing module being independently selected and quickly integrated.

- Expanding External Cooperation: In the first half of the year, the Company successfully entered into strategic cooperation agreements with KEENON Robotics and KUKA Robotics. Through technical cooperation with hardware manufacturers, the Company has deepened the technical capability reserve of the robot body, and facilitated the synergistic development and implementation of software and hardware technology.

1.2   Cloud-edge Collaboration and System Architecture

- Cloud-edge Master Control and Visualisation Platform Construction: To develop a unified cloud-edge collaboration framework to support unified management of multiple robots, real-time data visualisation, video streaming push and health monitoring. The data visualisation tool was optimised several times to support structured presentation of robot status, model predictions and task execution.

- Edge-side Ontology Engineering Optimisation: The ontology engineering achieves modular decoupling, supports multi-scene and multi-task switching, and improves system scalability and maintainability; optimises cloud-side communication mode, improves data transmission efficiency and system response speed, and enhances optimises product experience.

2.   Intelligence System – Multi-modal Intelligent Algorithm R&D

2.1   Low-Level Control Strategies and Multi-Modal Fusion

- Continuous Optimisation of VLA Large Model Effect: Through self-developed VLA large model Robocket, the Robocket-based low-level control strategy is optimised to achieve end-to-end action generation and smooth control, with significant improvement in inference speed and success rate on different platforms and tasks.

- Multi-task/Multi-scene Generalisation Capability Enhancement: Through multi-task hybrid training, data enhancement, and model structure optimisation, the generalisation capability of Robocket large model under different scenes and tasks is enhanced. The model has achieved excellent performance in several industrial and commercial automation scenarios.

2.2 High-Level Language Control and Command Breakdown

- Linguistic Control Framework Exploration: The Company constructs a high-level linguistic control system based on large models to support natural language interaction, task planning and execution in complex scenarios, realising a closed loop of the whole chain of "speech-perception-decision-execution". The Prompt design continues to be optimised to improve the understanding and execution accuracy of large models for complex scenarios and complex task flows.

- Multi-Round Dialogue and Task Status Recognition: The product supports multi-round dialogue interaction and is able to dynamically adjust the execution plan according to scene changes and task progress. Functions such as end-of-task marking, auto reset and suspend/activate have been gradually improved to enhance the system's ease of use and security.

3. Data System – Data Collection and Systematic Management

3.1 Data Collection

- Multi-Scenario, Multi-Task Data Collection: Extensive high-quality training data has been collected across various industrial automation scenarios, such as material sorting. The system supports synchronised multimodal data acquisition, including images, depth maps, physical state data and language commands, and enables automated uploading, storage, transformation and verification of the data.

- Data Collection for Generalisation and Error Correction: To address scenarios prone to inference errors, supplementary datasets have been collected for error correction and generalisation tasks to enhance the robustness of large models.

3.2 Data Management

- Data Standardisation and Schema Optimisation: A unified data Schema has been established to support multi-platform and multi-task requirements. The system allows flexible conversion and loading of different data versions, improving consistency and reliability in data interactions across modules.

- Upgraded Data Visualisation Tools: Visualisation tools capable of handling multidimensional and multimodal data have been developed to facilitate front-end display and comparative analysis of outcomes. Key features include task replay and visualisation of model prediction trajectories.

- Data Statistics and Quantitative Evaluation: A comprehensive system for data statistics and quantitative evaluation has been implemented to enable multi-dimensional analysis by task, scenario or model version. Periodic data reports are generated to support algorithm optimisation and product decision-making.
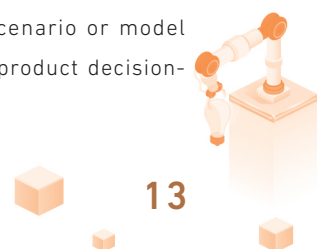
ChatCAD maintains a clear strategic focus on developing the next generation of intelligent CAD design products. In the first half of the year, it has made significant progress on the development of Image-To-CAD solution iPID (Intelligent Process Piping and Instrument Diagram) through collaboration with Bentley Software. They concentrated on key areas including data construction, model training, algorithm optimisation, application development and product deployment. These efforts culminated in the successful release of iPID 1.0, marking a breakthrough for ChatCAD in intelligent industrial design and laying a solid foundation for future innovations in CAD-To-Text and Text-To-CAD technologies.

Introduction of iPID product

1. Positioning and core values of product

- **Joint innovation**: the iPID is jointly developed by Bentley and AInnovation and designed for Chinese users, deeply integrating top AI large models and engineering design experience.

- **Product positioning**: for petrochemical, metallurgy, power, pharmaceutical and other industries, it provides automation and intelligent conversion capabilities from static drawings to intelligent PID, and realizes multi-stage digital upgrades such as design, operation and maintenance, and transformation.

- **Technical foundation**: we independently develop industry-leading multimodal industrial models that integrate multi-source information such as text, images, and CAD to support high-precision recognition and understanding in complex scenarios.

2. Main functions of the product

- **Multi-format, multi-size drawing analysis**: it supports a variety of input drawing formats and sizes, greatly enhancing industry adaptability.

- **Graphical and text information recognition**: it realizes accurate identification and generation of equipment, pipelines, pipe fittings, valves, instruments, and other components, and supports multi-language and multi-font text extraction to meet the needs of complex industrial scenarios.

- **Intelligent identification of connection relationships**: it automatically identifies key connection relationships such as equipment nozzles, pipelines, and connection symbols, establishes a complete logical topology, and significantly improves design accuracy and subsequent engineering application value.

- **Intelligent identification of extraterritorial components**: it supports users to upload unseen component legends, assists large models in intelligent identification in real time, and enhances the system's ability to generalize non-standard symbols in the industry.

- **End-to-end structured output**: it implements automated conversion from drawings to structured JSON, DGN, DWG, and other formats, facilitating data flow and system integration.

3. Integration of product system

- **Deep integration with OpenPlant PID**: iPID seamlessly integrates with Bentley's OpenPlant PID platform, supporting full-process design operations such as intelligent PID drawing content editing, attribute modification, and annotation addition.

- **Drawing attributes and BOM management**: one-click extraction of drawing attributes and automatic statistics of BOM lists, which support multi-format export to meet the needs of enterprise multi-system docking and data analytics.

- **Multi-user collaboration and security operation and maintenance**: it supports project-level multi-user collaboration design, attribute marking, and comment correction to ensure efficient team collaboration and data security.

- **Efficient deployment and open API**: the product supports open API, and is easy to deploy, scalable, and highly reliable, and adapts to enterprise-level large-scale application scenarios.

4. Industry application and value embodiment

- **Design stage**: it significantly improves design efficiency (8 hours → 1 hour), shortens project cycle by more than 85%, improves design quality and reduces risks.

- **Transformation stage**: it quickly identifies old drawings, intelligently completes the transformation plan, strengthens industry norms and enterprise standards, and ensures the safety and efficiency of the transformation.

- **Multi-industry implementation**: it has been applied in multiple industry scenarios such as petrochemical, metallurgy, power, and pharmaceuticals and other industries, forming customized solutions.
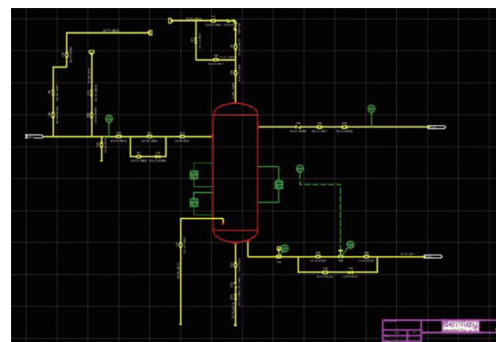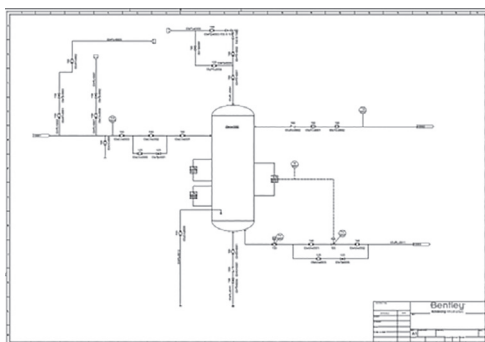

Figure (2) Schematic of iPID function

Technical progress of iPID

1.   Cross-domain data synthesis

1.1   Continuous expansion of data scale

- Significant increase in data size: during the first half of 2025, the ChatCAD dataset has undergone multiple rounds of expansion, reached the million level and covered a variety of mainstream drawing sizes, component styles, font sizes, and complex composition scenarios.

- Diversified data generation: the data generation algorithm is continuously optimized to support multi-dimensional changes such as different component styles and sizes. Through the "random + special scene supplementation" strategy, the diversity and generalization ability of the data are improved.

1.2   Optimization of the quality and structure of data

- Data structure standardization: it adjusts and optimizes data structures multiple times to improve data compatibility and scalability; develops data verification and filtering scripts to automatically detect and repair data anomalies, significantly improving data quality.

- Data enhancement and noise introduction: it enhances the robustness of the model to complex and disturbing scenarios by increasing component unequal scaling, text density, and synthetic noise.

2. End-to-end multimodal large model

2.1 Improvement of component recognition and generalization capabilities

- Iteration of known component recognition model: it develops a multimodal industrial large model suitable for the scenario and uses a mixed training strategy of end-to-end and instruction decomposition. For different types of components, the recognition accuracy and generalization ability are greatly improved.

- Exploration of unknown component recognition: it innovatively introduces unknown component recognition tasks and designs diverse training and evaluation schemes. It improves the adaptability of the model to unknown components through means such as Prompt engineering, data grouping, instruction diversification, and data enhancement.

- Improvement of component relationship recognition capacity: through the global analysis ability of the large model on the input picture, the complex connection relationship and subordination relationship between the components are efficiently identified, which greatly improves the model's ability to understand the structure of complex engineering drawings.

2.2 Engineering and system optimization

- Full-link data quality assurance: it develops a variety of data preprocessing and post-processing functions, including text filtering, data purification, anomaly detection, data enhancement, etc., to improve the quality of training data and the accuracy of inference results.

- Large model training engineering upgrade: it introduces distributed training, mixed precision training and other technologies to improve training efficiency and model performance, meeting the development needs of multimodal models with tens of millions of data volumes and complex structures.

- Evaluation and quantification system construction: it improves the model evaluation script, supports multi-dimensional indicators (such as character level, component level, relationship level) evaluation, and facilitates rapid positioning of model shortcomings and clarifies optimization direction.
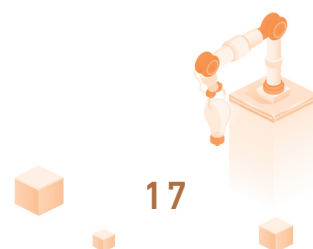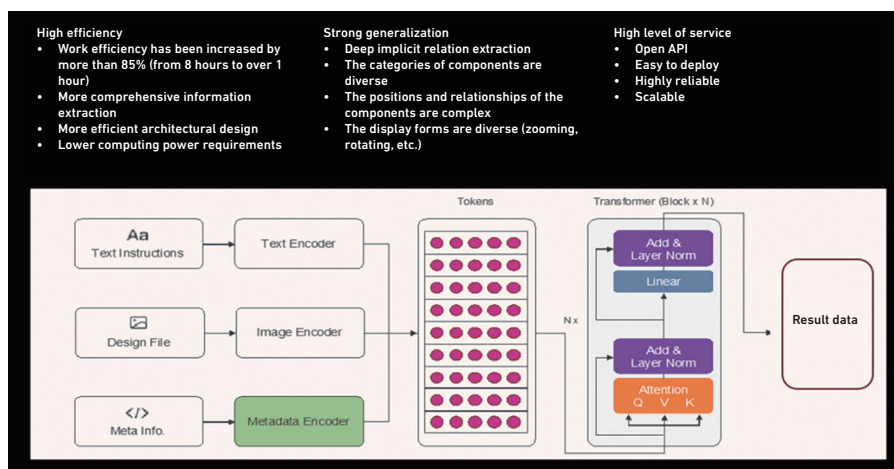
Business Overview

Figure (3) Features of iPID technology

In addition, in terms of AInnoGC industrial LLM technology platform, the Company continues to deepen investment in AI Agent fields, which significantly improves the comprehensive ability of the platform. We have developed the asset square module to realize the unified storage, management, and sharing of AI Agent applications, pre-built workflows, functional tools, and adaptation model assets through platform-level centralized resource sharing and consumption, greatly promoting the reuse of assets and the development efficiency of agent applications. At the same time, through the MCP agreement (Model Context Protocol), a set of common guidelines and formats is established, to allow agent applications to dynamically obtain relevant information and perform operations when needed, thus enhancing their functionality and scope of use. This provides a solid foundation for building safe, efficient, and scalable plug-in interactions, and significantly enhances the collaboration flexibility and reliability of complex tasks. To cope with the growth of user scale and ensure robustness of the platform, the platform introduces monitoring operation and maintenance module, achieves real-time monitoring of model service performance, total invocation amount, Token consumption, average invocation time, AI Agent application instance status, failure times, invocation frequency, average time and user operation log on the platform, ensures that users can monitor the bottlenecks and failures of models and applications in real time when using the platform, optimizes system resource allocation, and realizes active operation and maintenance of published models and applications, thereby ensuring high availability and stable operation of agent applications under large-scale loads. Through these capabilities, the platform's functional system and robustness have been further improved, enhancing its ability to develop, deploy, collaborate, and manage complex AI Agents in industrial scenarios in an all-round way, providing a more powerful one-stop support for the implementation of industrial agents.

Enrichment of AI products and solutions

In the first half of 2025, the Company unwaveringly positioned the application of AI technology in the industrial sector as the strategic core of our corporate development. Leveraging the dual technological foundations of the MMOC analytical AI platform and the AInnoGC generative AI platform, we focused on advancing the research, development, and application of AI technologies in industrial software and robotics. Guided by market demand, we closely aligned with key industry trends of concern to enterprises, continuously driving the industrialisation of AI technologies. By deepening the integration of AI technology with business scenarios, we were committed to accelerating the digital and intelligent transformation and upgrading across multiple niche industrial sectors. That enabled us to provide industrial clients with highly tailored intelligent solutions while laying a solid foundation for the Company's high-quality business growth.

In the field of industrial software, we continue to advance the productisation of AI technology integrated with industrial software. By further refining the practical experience gained from industry-leading clients, we are deepening the exploration of actionable AI applications, firmly guided by the demands of industrial customers. Leveraging our continuously innovated AInnoGC LLM product matrix, we have further empowered industrial clients across the entire production chain while enhancing industrial design, production management, equipment operation and maintenance, energy consumption management, and other processes through transformative upgrades to their industrial software. That has led to the innovative launch of intelligent industrial software, including ChatCAD (Generative Assisted Industrial Design), AMES (AI-powered Manufacturing Execution System), AEAM (AI-powered Enterprise Asset Management System), and AEMS (AI-powered Energy Management System), enabling more effective monitoring, analysis, and traceability of key production metrics, thus elevating the intelligent management capabilities of industrial enterprises. For leading enterprises in key vertical markets, such as food & beverage, new materials, and equipment manufacturing, we will align closely with their industry-specific characteristics and operational realities to address their growing and urgent digital and intelligent transformation needs. Adhering to our "1+N" and "1*N" commercial strategy, we will intensify demand discovery and sustain engagement within benchmark clients, and also leverage successful case studies to drive commercial adoption across broader industry ecosystems.

In the field of industrial campus, we are driving the productisation and commercialisation by deeply integrating AI technologies with industrial and office campus management systems. Through multi-layered, multi-dimensional convergence, we have achieved precise empowerment across the entire campus management cycle, spanning video intelligence, data intelligence, and LLM technology. Notably, in campus security management scenarios, we have innovatively combined visual intelligence with multi-modal LLM technologies, significantly enhancing the generalisability and accuracy of behavioural safety detection across diverse campus environments. Furthermore, we have successfully deployed solutions from the AInnoGC LLM product matrix, including the AInno-Agent intelligent platform and LLM-powered data analytics assistants, into campus energy management systems. This has substantially enhanced the operational intelligence in the automation of energy data extraction, cleansing, analysis, and anomaly alerting. Leveraging our maturing productisation capabilities, the AInno-Agent platform and knowledge base document analysis assistant have played pivotal roles in daily campus management. Especially in document-intensive processes such as investment attraction, marketing operations, contract review, records management, and enterprise administration, they have efficiently enhanced the office efficiency and governance standards of campus management clients.

In the field of intelligent equipment, we continue to advance the productisation of machine vision-based upgrades for smart devices in the panel and semiconductor industries. Building on this foundation, we have further expanded the application boundaries of intelligent equipment management software systems by deeply exploring and integrating cutting-edge LLM technologies to achieve transformative technological progress. For the upper-layer software management of intelligent equipment, we have fully leveraged the exceptional capabilities of LLMs in data management, organisation, and synthesis, combined with machine learning's robust functionalities in data cleansing, data imputation, outlier analysis, and logical data assessment. This synergy has enabled us to develop an efficient and intelligent production management system. Meanwhile, we have employed LLM technology to establish comprehensive equipment maintenance and operational knowledge bases. These repositories have not only significantly enhanced the intelligence of hardware maintenance management, fault diagnosis, repair workflows, and equipment performance monitoring but also facilitated the preservation and sharing of management expertise and knowledge.

In the field of iron and steel metallurgy, we are continuing to strengthen our digitalisation and intelligentisation strategy for "industrial production logistics". Firstly, we consolidate the competitive edge of our flagship products by successfully implementing an integrated intelligent iron-steel interface system and locomotive autonomous driving project at a steel manufacturer in southern China. This has enabled the optimisation and upgrading of molten iron scheduling models and dynamic iron-steel balance models. Secondly, we have achieved breakthroughs in AI-powered industrial logistics innovation. Our intelligent uncoupling robot for tipplers has been successfully deployed at a northern mining company, marking our entry into the industrial robotics domain. Simultaneously, we are accelerating the progress of our self-developed products. The H-GNSS high-precision satellite-positioning equipment for complex industrial scenarios has been successfully implemented for the first time at a mining company in northern China. Prototypes of mobile sensing devices have entered testing, and functional trials of intelligent drone inspection systems are under way. These R&D and application efforts are significantly advancing the localisation and domestic production of core equipment for industrial production logistics.

In the field of intelligent manufacturing practical training, we are further expanding the application boundaries of LLM technology across vocational training and broader education industries. Leveraging regional intelligent manufacturing practical training centres as our foundation, we have implemented localised strategies that carefully align with government policies and sector-specific educational requirements. This enables us to deepen the integration of AI technologies in AI-powered educational software and intelligent industrial robotics. Powered by our core AInnoGC-Agent intelligent platform, we have delivered an education learning platform built upon LLM technology. This solution employs intelligent methodologies to facilitate educational scenarios, including lesson preparation, teaching evaluation, knowledge retrieval, and student self-directed research. The system's intelligent capabilities encompass automated test generation, automated marking, learning outcome analysis, and knowledge point extraction. Concurrently, we are implementing LLM-driven intelligent robotics within smart manufacturing training environments, applying LLM technology to robot simulation control systems. This dual approach significantly enhances robot programming efficiency while effectively mitigating safety risks during testing procedures.

In the field of automotive equipment, we have established an industry-leading intelligent conveying demonstration line by leveraging multi-modal LLM technology. Through deeply integrating industrial Internet platforms with intelligent edge-cloud collaborative products, we have achieved comprehensive efficiency innovation from equipment control to decision support. The demonstration line employs multi-modal perception technology for enhanced quality control, enabling precise identification of microscopic defects while reducing manual inspection requirements. Critical nodes are equipped with various sensors to construct fault characteristic knowledge graphs, with a hybrid architecture enabling predictive equipment failure alerts, thus reducing unplanned downtime, lowering maintenance costs, and extending asset lifespan. Edge nodes deploy lightweight models for real-time decision-making, dynamically adjusting conveying parameters through fusion of order data, equipment status, and environmental awareness, thereby boosting production capacity and reducing energy consumption. Our LLM-powered intelligent knowledge base integrates unstructured data across formats, enabling rapid knowledge retrieval through semantic vector search. Staff can access required information via voice commands, thus improving knowledge acquisition efficiency while eliminating cross-border team collaboration barriers. Through these innovations, the demonstration line has achieved measurable improvements in production cycle time and overall equipment effectiveness, while reducing unit energy consumption, labour costs, and maintenance expenditures. The solution decreases annual operating costs per production line, lowers product defect rates, and shortens customer delivery cycles, all while achieving comprehensive functional safety certification. This successful implementation validates the practical feasibility of multi-modal LLM deployment while establishing a new paradigm for smart manufacturing. Looking ahead, we plan to extend this model to more complex scenarios, thereby accelerating progress toward the industry's ultimate objectives.

In the financial sector, we have comprehensively advanced the application of AI LLMs and data solutions to deliver significant efficiency gains for trust companies and futures firms. For our trust sector clients, we have developed a data governance and data warehouse solution that leverages LLM capabilities to automate unified data collection and scheduling. This solution has reconstructed data warehouse models to enhance service capacity while implementing intelligent management of metadata and data quality through a unified control platform. The system supports critical scenarios, including regulatory reporting and self-service analytics, effectively addressing challenges such as inadequate data management frameworks and insufficient service capabilities. As such, it substantially improves both data processing efficiency and business responsiveness. For futures companies, we have provided an end-to-end master data governance solution that leverages LLMs to intelligently retrieve industry regulations and generate data standards. The solution automates the creation of asset catalogues and security classifications while employing AI algorithms to monitor and cleanse data quality. It automatically generates master data models, traces data origins, and constructs relationship graphs to enable multi-level risk tracking, establishing a "governance - application - optimisation" cycle. This approach resolves inefficiencies caused by data fragmentation and inconsistent standards. At the same time, the natural language processing capabilities of LLMs significantly lower the technical barrier for non-expert users, enabling self-service analytics and intelligent data querying. This drives efficiency gains across regulatory reporting, business analysis, and compliance risk control scenarios while reducing collaboration costs. Our objective is to unlock the full value of data assets through these solutions, thus accelerating financial institutions' transition to data-driven operations. By expanding coverage across asset management domains, we sustain our efforts to empower clients to navigate complex market and regulatory environments while delivering performance improvements in critical business functions.

Part II: Future Outlook

We firmly believe that new quality productive forces constitute the core driving force for the high-quality economic development in China, and the digital and intelligent transformation of the manufacturing industry represents an irreversible industrial trend. In the short term, the economy will maintain a steady recovery through 2025. Despite lingering uncertainties, breakthrough innovations driven by AI are injecting new momentum and development opportunities into industrial upgrades. We remain strongly committed to our strategic commitment to "Empowering Businesses with AI Technology" by concentrating on breakthroughs in generative AI technologies, focusing on specialized and new technologies, and accelerating the pace of AI commercialization. By deeply integrating cutting-edge AI technologies with practical industry needs, we empower the development of new quality productive forces through technological innovation.

Looking ahead, we are highly confident in the broad prospects of China's new industrialization and new quality productive forces. We will continue to consolidate and strengthen our "one model, one agent and two wings" strategic framework, increase investment in core technology R&D, and promote the coordinated development of software and hardware to provide manufacturing enterprises with more comprehensive and higher-quality AI solutions. Concurrently, we will further promote the application and deployment of industrial LLM within specialized manufacturing sectors. Building upon our existing projects, we will offer clients value-added solutions based on large models, expanding the breadth and depth of industrial LLM applications across specialized and new industries such as iron and steel metallurgy, panel semiconductor, 3C (computers, communications, and consumer electronics) high-tech, automotive equipment, energy and power, engineering construction, food and beverage & new materials, intelligent manufacturing practical training. Furthermore, we will adhere to high-quality corporate development. Adopting a proactive posture of "shifting from defense to offense", we will persistently drive towards achieving profitability to realize sustainable healthy development.

Looking ahead, the Company is committed to continuously strengthening technological innovation. By developing more partnerships, we will accelerate product iteration centered on industrial LLM and its scenario-based implementation, which will fully unlock its business value and provide robust technological momentum for the Company's development.

- **ChatRobot: Building an industrial embodied AI robotics platform**

  - Software-hardware co-optimization: Refine the modular design of robot bodies to enhance multi-platform compatibility and system stability. Optimize the design and technical implementation of the cloud-tiered architecture to improve performance and maintainability.

  - Breakthroughs in intelligent algorithm: Promote the application of the underlying VLA large model (Robocekt) in robot control to enhance end-to-end intelligent decision-making capabilities. Strengthen high-level language comprehension, task decomposition, and dynamic planning capabilities to support more complex, diverse scenarios and task requirements.

■ Enhancement of data management and evaluation systems: Continuously improve the efficiency and quality of data production to ensure compliant and traceable data. Refine multi-dimensional, multi-task quantitative evaluation standards to enable continuous tracking and optimization of model and product effectiveness.

■ Productization and market expansion: Continuously refine the user interaction experience to reduce the learning curve. Strengthen ecosystem collaboration and utilize the ChatRobot "Generalist Agent" paradigm to drive diverse robot bodies, providing customized hardware-software solutions that rapidly meet diverse application scenario demands.
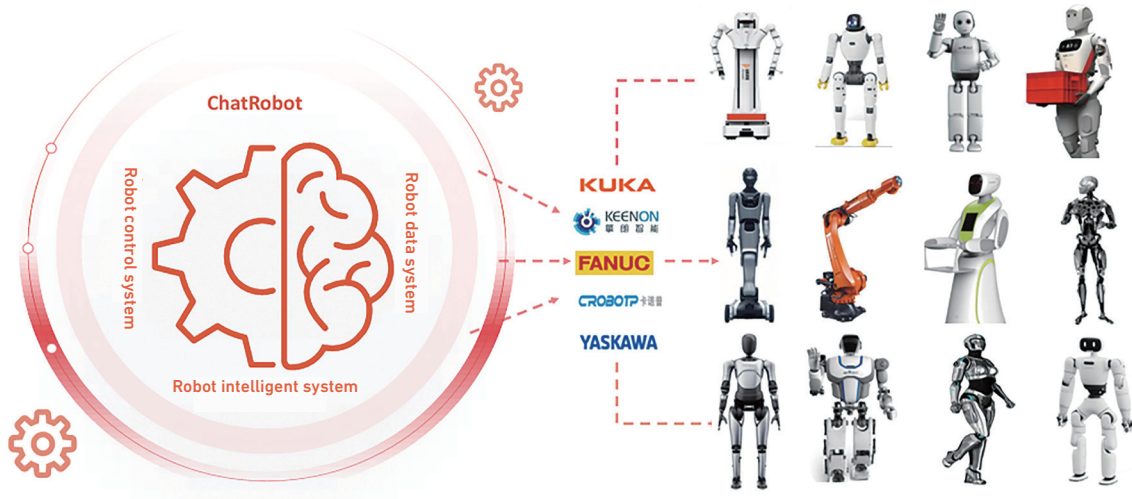

Figure (4) ChatRobot "Generalist Agent"

- **ChatCAD: Collaboration with Bentley to further enhance the next-generation generative intelligent CAD product iPID**

  - Enhancing end-to-end large model capabilities: Promoting the application of large models in Image-To-CAD scenarios to improve recognition and comprehension capabilities in complex environments. Increasing investment in challenging areas such as unknown component identification and complex relationship extraction. Innovating training strategies and data augmentation methods to boost model generalization and robustness. Building on Image-To-CAD, further exploring technical pathways and product solutions for CAD-To-Text and Text-To-CAD.

  - Optimizing cross-domain data synthesis: Refining intelligent data generation and validation tools to improve data production efficiency. Continuously enriching data generation strategies based on users' actual scenarios to construct larger-scale, higher-quality datasets. Simultaneously, establishing a multi-dimensional data evaluation and closed-loop feedback system to continuously enhance data quality and support optimization decisions for algorithms and products.

  - Productization and market expansion: Continuously optimizing user experience to improve product usability and satisfaction. Collaborating deeply with Bentley on industry-specific scenarios and ecosystem partnerships, aiming to establish flagship projects and drive the formulation of industry standards and technical exchange.

- **AI Agent: Strengthening the technical foundation to accelerate industrial agent deployment**

  - Industrial agents are rapidly evolving from conceptual frameworks into core enterprise productivity drivers. We are committed to systematically building a more robust technical foundation for industrial agents and driving their deep integration and value realization within enterprise business chains, creating future-ready intelligent engines for manufacturing enterprises.

  - Specifically, we will maintain our focus on scenario-specific empowerment: Leveraging extensive accumulated domain expertise and data assets in manufacturing, we will precisely target core business functions including design and R&D, production, office operations and maintenance, logistics and supply chain, and customer service to create highly adaptable, plug-and-play vertical-scenario agents. By deeply integrating AI Agents into existing industrial software systems and solutions, and utilizing the industrial data platform, business asset center, and AI Agent application development platform, we will establish end-to-end connectivity across data, algorithms, processes, applications, and business systems, which constructs a "Data - Model - Agent Application" closed loop. Building upon this foundation, we will establish an agent application matrix covering multiple business scenarios, fostering a flexible and open industrial intelligent convergence ecosystem that significantly shortens the intelligent upgrade cycle for traditional systems. Our goal is to establish an intelligent closed-loop spanning the entire enterprise production and operation chain, achieving end-to-end efficiency improvements from production execution to management decision-making. This lays a solid, data-driven foundation for intelligent decision-making, paving a high-speed pathway for deepening enterprise intelligence.

Continuous enrichment of AI products and solutions

In our work plan for the second half of 2025, we remain steadfast in executing our strategic vision of empowering industries with AI. Anchored by our AInnoGC Industrial LLM and Agent intelligent development platform, we will focus on industrial software and robotics as the primary carriers of AI, striving to drive the industrial-scale implementation of AI across various manufacturing sectors. We will continue to review and consolidate the Group's existing AI technology assets and hardware and software portfolios. Leveraging our insight into vertical industries, we aim to integrate and fuse our existing capabilities to accelerate the development of large model-based product systems. This will enable us to deliver greater business value to our clients and comprehensively support their digital and intelligent transformation.

In the field of industrial software, we will deepen the strategic integration of LLM technology with industrial software product systems. Focusing on the operational scenarios of leading enterprises in key verticals such as food and beverage, industrial parks, new materials, and equipment manufacturing, we will apply our LLM capabilities to empower core systems including EAM (Enterprise Asset Management), MES (Manufacturing Execution System), QMS (Quality Management System) and EMS (Energy Management System). Powered by our continuously evolving Agent platform, along with an expanding toolset and scenario library, we will unlock the value of AI across multiple management processes, such as production management, equipment management, scheduling and planning, and contract review within manufacturing organisations. Meanwhile, we will strengthen strategic collaborations with leading industrial software suppliers to explore broader and deeper synergies. With enhanced insights into industry-specific Know-How and operational pain points of our clients, we aim to identify common challenges, replicate AI-powered solutions horizontally and vertically through productised capability accumulation, and then expand our market influence.

In the field of iron and steel metallurgy, we will deeply combine our background of technology with industry Know-How and take general consulting and system simulation as the lead, to build the hard support of independently controllable intelligent equipment and construct the soft strength with deep learning and operation optimization as the core algorithms. We will further strengthen and promote our flagship products and intensify innovation and application in areas such as industrial robots, drones and intelligent sensing devices. Through a point-to-surface approach, we aim to drive collaborative development and innovation across the entire industry chain.
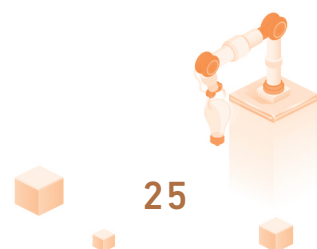
In the field of automotive equipment, further breakthroughs will be made in the application of multimodal large models in the field of automotive equipment, especially promoting the intelligent manufacturing system stepping into a stage of wide-area coordination through continuous optimization of the technical architecture and scene adaptation capabilities. In terms of technical evolution, we will conduct more efficient edged-port deployment for the lightweight multimodal model, which will further enhance the integration with the equipment control system, and achieve the real-time analysis of multi-source sensory data in millisecond response, therefore, the dynamic adjustment made in quality control will be more predictable, and the coverage of the identification of minor defects will be extended from the key components to the whole process, which will significantly reduce the need for manual intervention. The predictive maintenance system will help us realize knowledge transfer across heterogeneous devices, enhance the accuracy of potential risk prediction in complex assembly scenarios by constructing a larger vulnerability connection network, and extend the coverage of device types from the transmission system to the core processes such as welding and painting, further shortening unplanned downtime and extending the life cycle of devices. Through the intelligent scheduling system, we will break through the limitation of a single production line and extend the collaborative capacity to the supply chain end. In particular, by integrating cross-domain data such as order fluctuation and logistics status, the system will help realize the dynamic adaptation of the production plan and material distribution, maintain an efficient operation in the scenario of the surge of customized production demand, while continuously reducing the unit consumption of energy. As to the knowledge management system, we will upgrade it to a cross-organizational collaboration platform to realize real-time knowledge sharing among design, production, and operation and maintenance teams through the optimization of multimodal interaction technology, further eliminating the information gaps among different links and qualitatively improving the efficiency of technical communication in cross-border collaboration. Through deep application and penetration of the above technologies, we will promote the transformation of the intelligent manufacturing model in the field of automotive equipment from single optimization to wide-area coordination, fully enhance the response time and resource utilization of the whole production chain, promote further reduction of operating cost and continuous improvement of the stability of product quality, providing a more solid technical support for flexible production and green manufacturing.

In the field of intelligent manufacturing practical training, we will further deepen and expand the application of AI technology in educational software. With the AI Agent platform as our core technology and product asset, we will establish an advanced tool platform that supports teachers and students to conduct large model learning, which will facilitate efficient business development, including but not limited to teaching preparation, teaching evaluation, knowledge query, and student self-study. In addition, we will simultaneously promote the deep integration of multimodal large model technology and practical training machines, explore and develop intelligent supervision, intelligent examination monitoring, intelligent security maintenance, intelligent learning data analysis and other brand-new branches to realize comprehensive coverage and intelligent upgrading of the whole industrial chain of education, training, examination and competition in the field of intelligent manufacturing practical training industry.

In the financial sector, we will continue to deepen the application of AI large models and data solutions in the financial sector to further enhance the business efficiency of trust and futures companies. In the trust field, based on the existing data management and data warehouse application solutions, we will strengthen the automation of the large model in data collection and scheduling, optimize the data warehouse model to shorten AI service response time, upgrade the metadata and data quality management function of the unified control platform to cover more scenarios such as customer management and product analysis, in order to solve more tricky problems concerning data correlation and dynamic management, further improve the response efficiency in scenarios such as regulatory submissions and management dashboard, supporting more accurate decision-making in trust business. In the futures field, we will upgrade the one-stop master data management solution, enhance the comprehensiveness of industry standard retrieval and the accuracy of data standard generation relying on the large model, improve the automation of asset catalog construction and security classification, optimize the real-time data quality monitoring and cleansing by AI algorithms and expand the coverage of master data model, so as to enhance the efficiency of the "governance-application-optimization" cycle and completely solve the outstanding problem of data fragmentation and inconsistent standards. At the same time, we will further leverage the natural language processing capability of the large model, lower the threshold for non-technical users to gain access to more scenarios such as customer analysis and product risk control, extend self-service analysis and intelligent questioning functions to cover a wider range of business segments, which will dramatically reduce the cost of cross-departmental collaboration. In addition, we will promote the extension of the solution to other asset management fields, use our proven experience in the trust and futures fields to securities, funds and other fields, activate the value of a wider range of data assets through continuous optimization of the solution, help more financial institutions accelerate the data-driven transformation, and provide more powerful empowerment to more clients in key business scenarios amidst a complex market and regulatory environment, so as to continuously improve the overall efficiency.
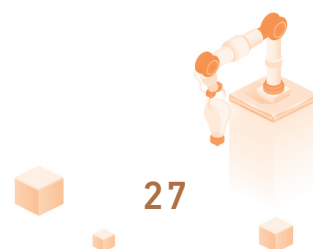
Management Discussion and Analysis

OVERVIEW

In 2025, as the commercialization of large models has been continuously advanced, the application of large models becomes more prominent in the manufacturing industry. As the market leader of "AI + Manufacturing", AInnovation keeps increasing the investment in technology research and development and market expansion and fully promotes the implementation of the strategy of "one model, one agent and two wings". Specifically, we not only deepen the industrial scenario application of industry large models for manufacturing customers, and join hands with leading enterprises to build an industry ecosystem and navigate for further industry development. At the same time, after a phased stable adjustment in 2024, the Company has stepped into a new stage of "resilience to resurgence". In the first half of 2025, both revenue and profitability have been improved, demonstrating a favorable situation of balanced development in both quantity and quality.

REVENUE

Our revenue for the six months ended 30 June 2025 was RMB699.0 million, representing an increase of 22.3% as compared with RMB571.7 million for the six months ended 30 June 2024, which was primarily driven by revenue growth resulting from the expanded manufacturing business.

In terms of the manufacturing industry, revenue for the six months ended 30 June 2025 was RMB555.6 million, representing an increase of 27.0% as compared with RMB437.5 million for the six months ended 30 June 2024.

In terms of the financial services industry, revenue for the six months ended 30 June 2025 was RMB70.1 million, representing a decrease of 15.4% as compared with RMB82.9 million for the six months ended 30 June 2024.

COST OF SALES

Our cost of sales for the six months ended 30 June 2025 was RMB454.3 million, representing an increase of 20.0% as compared with RMB378.5 million for the six months ended 30 June 2024, primarily due to higher costs driven by revenue growth.

In terms of the manufacturing industry, cost of sales for the six months ended 30 June 2025 was RMB348.9 million, representing an increase of 27.0% as compared with RMB274.8 million for the six months ended 30 June 2024, primarily due to higher costs driven by revenue growth in the manufacturing industry.

In terms of the financial services industry, cost of sales for the six months ended 30 June 2025 was RMB47.0 million, representing a decrease of 23.3% as compared with RMB61.3 million for the six months ended 30 June 2024, primarily due to lower costs driven by revenue decreases in the financial services industry.

GROSS PROFIT AND GROSS MARGIN

As a result of the foregoing, our overall gross profit for the six months ended 30 June 2025 was RMB244.7 million, representing an increase of 26.7% as compared with RMB193.2 million for the six months ended 30 June 2024. For the six months ended 30 June 2025, our overall gross margin was 35.0%, representing an increase of 1.2% from 33.8% for the six months ended 30 June 2024, primarily due to (i) higher delivery efficiency and our effective cost control; and (ii) our ongoing optimisation of the business portfolio with a focus on high-quality businesses.

SELLING AND DISTRIBUTION EXPENSES

Our selling and distribution expenses for the six months ended 30 June 2025 were RMB73.6 million, representing a decrease of 7.2% as compared with RMB79.3 million for the six months ended 30 June 2024, primarily due to our enhanced marketing efficiency and effective control over sales expenses.

The percentage of selling and distribution expenses in revenue decreased from 13.9% for the six months ended 30 June 2024 to 10.5% for the six months ended 30 June 2025, as our revenue grew at a faster pace.

GENERAL AND ADMINISTRATIVE EXPENSES

Our general and administrative expenses for the six months ended 30 June 2025 were RMB90.1 million, representing a decrease of 6.5% as compared with RMB96.4 million for the six months ended 30 June 2024, primarily as we took effective control measures over general and administrative expenses.

The percentage of general and administrative expenses in revenue decreased from 16.9% for the six months ended 30 June 2024 to 12.9% for the six months ended 30 June 2025, as our revenue grew at a faster pace.

RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses for the six months ended 30 June 2025 were RMB164.6 million, representing an increase of 11.2% as compared with RMB148.0 million for the six months ended 30 June 2024, primarily due to the overall increase in research and development investment driven by business expansion.

The percentage of research and development expenses in revenue decreased from 25.9% for the six months ended 30 June 2024 to 23.5% for the six months ended 30 June 2025, as our revenue grew at a faster pace.
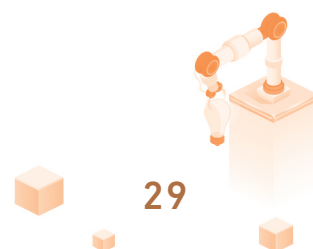
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

We had a net impairment loss on financial assets of RMB4.1 million for the six months ended 30 June 2025, remaining relatively stable compared to a net impairment loss of RMB4.5 million for the six months ended 30 June 2024.

OTHER INCOME

Other income primarily consists of government grants, which mainly relate to financial assistance from local governments in the PRC.

For the six months ended 30 June 2025, our other income was RMB20.8 million.

OTHER GAINS/(LOSSES), NET

Our other gains/(losses), net mainly comprise (i) interest income on financial assets at fair value through profit or loss; and (ii) fair-value changes on financial assets and liabilities at fair value through profit or loss.

For the six months ended 30 June 2025, our other gains, net was RMB4.6 million.

OPERATING LOSS

As a result of the foregoing, we had an operating loss of RMB62.2 million for the six months ended 30 June 2025, representing a decrease of 67.4% as compared with the operating loss of RMB190.8 million for the six months ended 30 June 2024. This was mainly driven by higher revenue and gross profit.

FINANCE INCOME

Our finance income for the six months ended 30 June 2025 was RMB2.4 million, representing a decrease as compared with RMB7.7 million for the six months ended 30 June 2024, primarily due to a decrease in interest income from bank deposits.

FINANCE COSTS

Our finance costs are primarily comprised of (i) interest expenses on lease liabilities; and (ii) interest expenses on bank borrowings.

For the six months ended 30 June 2025, our finance costs were RMB3.1 million, remaining stable compared to the six months ended 30 June 2024.

LOSS FOR THE PERIOD

For the six months ended 30 June 2025, we recorded a loss for the period of RMB60.5 million, representing a decrease of 67.2% from the loss of RMB184.6 million for the six months ended 30 June 2024. This was driven primarily by (i) the steady growth in gross profit from our focus on high-quality business; and (ii) our enhanced operating efficiency and effective control of operating expenses.

NON-IFRS MEASURES

Adjusted Net Loss

We define adjusted net loss as the net loss for the period adjusted by adding back share-based payment expenses, amortization of intangible assets arising from acquisition, impairment loss on goodwill and intangible assets arising from acquisition, and changes in fair value of financial assets/liabilities at fair value through profit or loss. The changes in fair value of financial assets/liabilities at fair value through profit or loss mainly include fair value changes of fund investments, other financial investments and contingent considerations.

The following table reconciles our adjusted net loss for the period presented to the most directly comparable financial measures calculated and presented in accordance with IFRSs, which are net loss for the periods.

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Reconciliation of net loss to adjusted net loss:		
Loss for the period	**(60,513)**	(184,553)
Add:		
Share-based payment expenses	**36,965**	42,085
Amortization of intangible assets arising from acquisition	**15,345**	21,860
Impairment loss on goodwill and intangible assets arising from acquisition	**—**	19,580
Changes in fair value of financial assets/liabilities at fair value through profit or loss	**1,522**	63,620
Adjusted net loss (Unaudited)	**(6,681)**	(37,408)

LIQUIDITY AND CAPITAL RESOURCES

Cash and Cash Equivalents

As at 30 June 2025, cash and cash equivalents of the Group were approximately RMB997.0 million (31 December 2024: RMB1,204.9 million). The change was mainly from cash outflows from financing, investing and operating activities. Most of the cash and cash equivalents of the Group were denominated in RMB.

Financial Assets at Fair Value through Profit or Loss

As at 30 June 2025, the Group's current financial assets at fair value through profit or loss was approximately RMB32.2 million (31 December 2024: RMB2.4 million). The change was primarily due to the increase in structured deposits.

Gearing Ratio

The Group monitors capital on the basis of the gearing ratio, which is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including related party borrowing) and lease liabilities less cash and cash equivalents. As of 30 June 2025, the Group had a net cash position and the gearing ratio was not applicable.

MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2025, save as disclosed in this report, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

MATERIAL INVESTMENTS HELD/FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS

As of 30 June 2025, save as disclosed in this report, we did not have material investments or future plans for other material investments or acquisition of capital assets.

FOREIGN EXCHANGE EXPOSURE

For the six months ended 30 June 2025, the Group mainly operated in the PRC with most of the transactions settled in RMB. The functional currency of our Company and the main subsidiaries is RMB. As of 30 June 2025, our balance of cash and cash equivalents was mainly denominated in RMB. The Group manages its foreign exchange risk by closely monitoring the movement of the exchange rates and will consider hedging significant foreign currency exposure if necessary. As of 30 June 2025, our business is not exposed to any significant foreign exchange risk.

PLEDGE OF ASSETS

As at 30 June 2025, the Group had no material pledge of assets.

BORROWINGS

As at 30 June 2025, borrowings of the Group were RMB113.2 million (31 December 2024: RMB127.7 million), mainly including short-term borrowings of several subsidiaries.

CONTINGENT LIABILITIES

For the six months ended 30 June 2025, due to a commercial lawsuit by one of the Group's subsidiaries, the subsidiary's bank deposits totalling RMB11.3 million and its equity interests in two subsidiaries have been frozen; the lawsuit is still ongoing.

Save as disclosed above, we had no other material contingent liabilities as at 30 June 2025.

SUBSEQUENT EVENT

Save as disclosed in this report, there was no significant event subsequent to the end of the Reporting Period and up to the Latest Practicable Date.
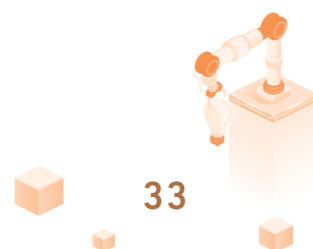
Corporate Governance and Other Matters

The Board is committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders of the Company, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

COMPLIANCE WITH THE CG CODE

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Listing Rules as the basis of the Company's corporate governance practice. The Company is committed to the view that the Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

During the Reporting Period, the Company has complied with all applicable code provisions set out in the CG Code.

The Company has also put in place certain recommended best practices as set out in the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors and Supervisors of the Company. Having made specific enquiries with all Directors and Supervisors by the Company, all Directors and Supervisors confirmed that they have been in compliance with the required standards set out in the Model Code during the Reporting Period.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The amendments for the Articles of Association were approved by the Shareholders at the 2024 annual general meeting of the Company held on 16 May 2025. The relevant amendments mainly reflected the reduction in the Company's registered capital and the updates including but not limited to the following rules:

(1)   The amended Company Law of the People's Republic of China issued by the Standing Committee of the National People's Congress on 29 December 2023 and effective on 1 July 2024;

(2) The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) issued by China Securities Regulatory Commission (中國證券監督管理委員會) on 17 February 2023 and effective on 31 March 2023 and its accompanying guidelines (the "**Trial Measures**"). Pursuant to the provisions of the Trial Measures, the Notice on Implementation of the Mandatory Provisions for the Articles of Association of Companies Listed Overseas (《關於執行<到境外上市公司章程必備條款>的通知》) was repealed as of the date of implementation of the Trial Measures. In the event of a direct overseas listing of a domestic enterprise, it shall comply with the provisions of Article 6 of the Trial Measures and formulate the articles of association with reference to the relevant provisions of the China Securities Regulatory Commission on corporate governance, such as the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》), in order to regulate corporate governance; and

(3) Certain amendments to the Listing Rules made by the Hong Kong Stock Exchange accordingly.

For the full text of the amended Articles of Association, please refer to the website of the Hong Kong Stock Exchange at https://www.hkexnews.hk and the website of the Company at https://www.ainnovation.com.

CHANGES OF POSITIONS HELD BY DIRECTORS, SUPERVISORS AND MEMBERS OF SENIOR MANAGEMENT

Ms. Kwan Sau In has tendered her resignation as the joint company secretary of the Company under Rule 3.28 and Rule 8.17 of the Listing Rules due to work arrangement, with effect from 31 March 2025. The other joint company secretary of the Company, Ms. Lv Hongyu (who possesses the qualification of a company secretary as required by Rule 3.28 of the Listing Rules), will remain in office and act as the sole company secretary of the Company.

CHANGES TO THE INFORMATION OF DIRECTORS, SUPERVISORS AND MEMBERS OF SENIOR MANAGEMENT

During the Reporting Period, save as disclosed in this report, there has been no change in the information of the Directors, Supervisors and members of senior management as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.
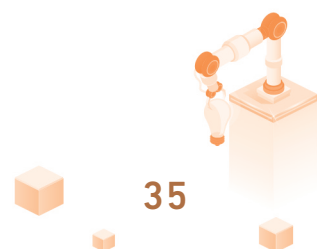
EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had 902 employees. During the six months ended 30 June 2025, the employee benefit expenses of the Group amounted to approximately RMB168.6 million, as compared to approximately RMB207.2 million during the six months ended 30 June 2024. The Group integrates its human resources strategy with remuneration plans based on different job sequences to provide competitive salaries and incentives based on performance contributions to all employees. The Group also contributes to social security and provident funds for all employees in accordance with the law, and provides a comprehensive benefit plan including retirement schemes, supplementary medical insurance, accident insurance, annual health check and various subsidies.

EMPLOYEE TRAINING

Based on the Company's business goals and employee career development needs, the Group matches the corresponding capacity enhancement resources with employees at all levels and various career development stages. For all employees, we focus on cultivating workplace skills, and help them improve their professional quality and work efficiency through classroom learning and picture and text sharing; for new employees, we focus on cultivating corporate culture and company environment, efficient office and institutional processes, etc., through NEO (New Employee Orientation), partnership system, On Boarding newcomer introduction, etc., to help them successfully integrate in and become qualified Qizhi people (奇智人); for new managers and core employees, we focus on cultivating business ability, initial leadership and management experience, through classroom learning, IDP personal development plan, etc., to stimulate team momentum; for executives, we focus on cultivating business maturity, leadership, capital markets and strategic strength to promote organizational development.

EMPLOYEE INCENTIVE

To incentivize the management team, retain talent and promote the long-term sustainable development of the Company, the Group has adopted the Employee Incentive Scheme pursuant to the resolution of the general meeting of shareholders on 31 March 2021 as an amendment, restatement and consolidation of the previous versions of employee share incentive schemes adopted by the Group since 2018.

To encourage, motivate and retain directors and employees who contribute to the Group's ongoing operations, development and long-term growth, and to enhance the Company's ability to attract new talents, and to send positive signals to the market and boost market confidence, the Group has adopted the 2023 Directors and Senior Management H Share Incentive Scheme in accordance with the resolution of the general meeting of shareholders on 13 January 2023, which was capped at a maximum of 25,000,000 H Shares.

In order to improve the Company's incentive mechanism, motivate the Company's Directors, senior management and employees to continue to innovate, retain key personnel, enhance the Company's ability to attract new talents, achieve sustainable development for the Company's business, and balance long-term growth and short-term performance goals, the Group has adopted the 2024 H Share Equity Incentive Scheme in accordance with the resolution of the general meeting of shareholders on 10 May 2024. The maximum cap for the 2024 H Share Equity Incentive Scheme is the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at prevailing market price with funds in the amount of not more than RMB300 million.
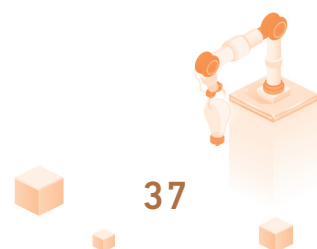
USE OF PROCEEDS FROM SHARE PLACING

In order to enhance the financial strength, enhance market competitiveness and comprehensive strength, and promote the long-term healthy and sustainable development of the Company, on 14 June 2023, the Company successfully placed a total of 19,900,000 new H Shares with nominal value of RMB1.00 each to not less than six Placees (who are professional, institutional or other investors), who and whose ultimate beneficial owner(s) are Independent Persons and not connected persons of the Company, at the Placing Price of HK$19.70 per H Share (a discount of approximately 16.17% to the closing price of HK$23.50 per H Share quoted on the Hong Kong Stock Exchange on 6 June 2023 (being the date of the Placing Agreement)).

The net proceeds from the Placing (the "**Proceeds from the Placing**") amounted to approximately HK$378,856,331. The Company intends to use the net proceeds for the purposes set forth below:

Use	Amount	Amount (RMB)	Percentage	The unutilized net proceeds as of 31 December 2024	The actual use of net proceeds during the Reporting Period	The unutilized net proceeds as of 30 June 2025	The unutilized net proceeds after the change of use of proceeds in the announcement dated 22 August 2025	Expected timeline for utilization of the unutilized net proceeds
Investment in R&D	Approximately HK$151.5 million	Approximately RMB139.1 million	About 40.0%	Approximately RMB104.08 million	Approximately RMB66.74 million	Approximately RMB37.34 million	Approximately RMB47.34 million	On or before 31 December 2027
Investment in sales and marketing	Approximately HK$37.9 million	Approximately RMB34.77 million	About 10.0%	Approximately RMB34.77 million	—	Approximately RMB34.77 million	Approximately RMB34.77 million	On or before 31 December 2027
Investment in strategic expansion	Approximately HK$113.7 million	Approximately RMB104.32 million	About 30.0%	Approximately RMB104.32 million	—	Approximately RMB104.32 million	Approximately RMB104.32 million	On or before 31 December 2027
Investment in enhancing our internal system and upgrading our IT infrastructure	Approximately HK$37.9 million	Approximately RMB34.77 million	About 10.0%	Approximately RMB34.77 million	—	Approximately RMB34.77 million	—	On or before 31 December 2027
Working capital	Approximately HK$37.9 million	Approximately RMB34.77 million	About 10.0%	Approximately RMB7.73 million	—	Approximately RMB7.73 million	Approximately RMB32.50 million	On or before 31 December 2027

The Company has published an announcement on 26 August 2024 regarding the extension of the useful life of the Proceeds from the Placing from 31 December 2024 to 31 December 2027. The Company has also published an announcement on 22 August 2025 regarding the reallocation of unutilized net proceeds of approximately RMB34.77 million, originally intended to be used as investment in enhancing our internal system and upgrading our IT infrastructure, with approximately RMB10 million reallocated to investment in R&D and approximately RMB24.77 million reallocated to working capital.

The Company has utilized the net Proceeds from the Placing in accordance with the proposed uses as set out in the aforementioned announcements and schemes. The unutilized net Proceeds from the Placing will be utilized in accordance with the revised use of proceeds as stated above and in the same manner as previously disclosed by the Company. For further details of the Placing, the intended use and the useful life of the Proceeds from the Placing, and reasons and benefits for the change of use and expected timeline of the Proceeds from the Placing, please refer to the announcements of the Company dated 7 June 2023, 14 June 2023, 26 August 2024 and 22 August 2025, as well as the Company's 2024 interim report.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 27 January 2022 and 44,744,400 shares with nominal value of RMB1.00 each were issued to Hong Kong and overseas investors at an offer price of HK$26.3 per share. The net proceeds received by the Company from the Global Offering (the "**IPO Proceeds**"), after deduction of the underwriting commission and other estimated expenses payable by the Company, are estimated to be approximately HK$1,070.1 million. The Company currently intends to use such net proceeds for the following purposes:

Use	Amount	Amount (RMB)	Percentage	The unutilized net proceeds as of 31 December 2024	The actual use of net proceeds during the Reporting Period	The unutilized net proceeds as of 30 June 2025	The unutilized net proceeds after the change of use of proceeds in the announcement dated 22 August 2025	Expected timeline for utilization of the unutilized net proceeds
Enhancing our R&D capabilities	Approximately HK$481.6 million	Approximately RMB392.05 million	About 45.0%	Approximately RMB11.60 million	Approximately RMB11.36 million	Approximately RMB0.24 million	Approximately RMB20.48 million	On or before 31 December 2027
Enhancing our commercialization capabilities	Approximately HK$267.5 million	Approximately RMB217.81 million	About 25.0%	Approximately RMB9.98 million	Approximately RMB1.23 million	Approximately RMB8.75 million	—	On or before 31 December 2027
Potential strategic investments and acquisitions	Approximately HK$107.0 million	Approximately RMB87.12 million	About 10.0%	—	—	—	—	On or before 31 December 2027
Strengthening internal systems and upgrading information infrastructure	Approximately HK$107.0 million	Approximately RMB87.12 million	About 10.0%	Approximately RMB20.24 million	—	Approximately RMB20.24 million	—	On or before 31 December 2027
Working capital and general corporate use	Approximately HK$107.0 million	Approximately RMB87.12 million	About 10.0%	Approximately RMB109.67 million	Approximately RMB50.25 million	Approximately RMB59.42 million	Approximately RMB68.17 million	On or before 31 December 2027

To increase the efficiency in use of capital, with the approval of the Board, the Company has extended the use of proceeds as set out in the Prospectus by changing "short-term deposits with banks or qualified financial institutions" to "short-term deposits with banks or qualified financial institutions, or to purchase wealth management products, including but without limitation to structured deposits, treasury bonds, central bank bills, bond repurchase, money funds and bond funds".

The Company has published an announcement on 26 August 2024 regarding the reallocation of approximately RMB87.12 million of the unutilized net proceeds originally intended for potential strategic investments and acquisitions, and approximately RMB27 million of unutilized net proceeds originally intended for strengthening internal systems and upgrading information infrastructure, to working capital and general corporate use and the extension of the useful life of the IPO Proceeds from 31 December 2024 to 31 December 2025. The Company has also published an announcement on 22 August 2025 regarding the reallocation of approximately RMB8.75 million of unutilized net proceeds originally intended for enhancing our commercialization capabilities to working capital and general corporate use, and the reallocation of approximately RMB20.24 million of unutilized net proceeds originally intended for strengthening internal systems and upgrading information infrastructure to enhance our R&D capabilities and the extension of the useful life of the IPO Proceeds from 31 December 2025 to 31 December 2027.

The Company has utilized the net IPO Proceeds in accordance with the proposed uses as set out in the Prospectus and the aforementioned announcements and schemes. The unutilized net IPO Proceeds will be utilized in accordance with the proposed use as set out in the Prospectus and the revised use of proceeds as stated above and in the same manner as previously disclosed by the Company. For further details of the Global Offering, the intended use and the useful life of the IPO Proceeds, and the reasons and benefits for the change of use and expected timeline of the IPO Proceeds, please refer to the Prospectus, the announcements of the Company dated 26 August 2024 and 22 August 2025, as well as the Company's 2024 interim report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, the Company repurchased a total of 4,714,700 H Shares (the "**Repurchased Shares**") on the Hong Kong Stock Exchange for a total consideration of approximately HK$24,169,825. Details of the Repurchased Shares are as follows:

Month of Repurchase	Repurchased Number of Shares	Price per share paid Highest Price (HKD)	Lowest Price (HKD)	Total Consideration (HKD)
January	216,000	5.58	5.52	1,199,334
April	1,340,900	3.82	3.28	4,809,858
May	355,600	4.28	4.1	1,498,507
June	2,802,200	6.27	5.59	16,662,126
Total	4,714,700	—	—	24,169,825

As at 30 June 2025, a total of 1,506,300 shares repurchased during the period from 30 October 2024 to 29 November 2024 have been cancelled by the Company. The Repurchased Shares during the Reporting Period are held by the Company as Treasury Shares and will be disposed of or utilised based on the comprehensive consideration of market conditions and the Company's capital management needs.

As at 30 June 2025, the balance of the issued Shares of the Company was 563,544,438 shares (including 4,714,700 Treasury Shares). The Repurchased Shares as referred to in the circular of the Company dated 18 April 2024 and 24 April 2025 was for the purpose of safeguarding the value of the Company and the interests of the Shareholders.

Save as disclosed above, neither the Company nor its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including sale of Treasury Shares) during the Reporting Period.

ISSUED SHARE CAPITAL

As of 30 June 2025, the total share capital of the Company was RMB563,544,438, divided into 563,544,438 shares of RMB1.00 each. Details of the movement of the share capital of the Company during the Reporting Period are set out in Note 20 to the financial statements.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

REVIEW OF INTERIM REPORT BY AUDIT COMMITTEE

The members of the Audit Committee of the Company consist of Mr. Xie Deren (Chairman of the Committee), Mr. Wang Hua and Ms. Ko Wing Yan Samantha. The interim results announcement for the six months ended 30 June 2025, 2025 interim report and the unaudited interim financial statements for the six months ended 30 June 2025 of the Group, which were prepared in accordance with the requirements under the International Financial Reporting Standards, have been reviewed and confirmed by Audit Committee of the Company.
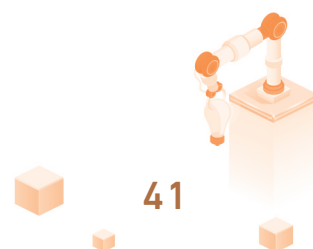
Changes in Share Capital and Information of Shareholders

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 30 June 2025, the interests and short positions of the Directors, Supervisors or the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code are set out below:

Interest in the Shares of the Company

Name of Director, Supervisor and chief executive of the Company	Nature of interest	Number of ordinary shares held	Long position/ short position	Approximate percentage of the issued shares[1]
Mr. Xu Hui	Beneficial Interests	87,868,780	Long positions	15.59%
	Interests in controlled corporation	33,125,040	Long positions	5.88%
Mr. Wang Hua[2]	Beneficial Interests	8,640,000	Long positions	1.53%
	Jointly held Interest with another person	145,800,000	Long positions	25.87%
Mr. Xie Deren	Beneficial Interests	876,226	Long positions	0.16%

Notes:

(1)   As at 30 June 2025, the balance of the issued Shares of the Company was 563,544,438 shares (including 4,714,700 Treasury Shares).

(2)   Sinovation Ventures, Nuosai Yucheng, Mr. Wang Hua and Ms. Tao Ning directly held 135,000,000, 8,640,000, 8,640,000 and 2,160,000 Shares in our Company, respectively. Pursuant to concert party arrangement, Sinovation Ventures, Nuosai Yucheng, Mr. Wang Hua, Ms. Tao Ning, Ms. Lang Chunhui and Mr. Zhang Ying formed our Single Largest Shareholders Group. As such, each of Mr. Wang Hua, Ms. Tao Ning, Ms. Lang Chunhui and Mr. Zhang Ying is deemed to be interested in the Shares held by other member of our Single Largest Shareholders Group.

Save as disclosed above, as at 30 June 2025, none of the Directors, Supervisors or the chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES OR UNDERLYING SHARES

So far as known to any Director or chief executives of the Company, as at 30 June 2025, the persons (other than Director and chief executives of the Company) or corporations who had interest or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholder	Nature of interest	Number of ordinary shares held	Long position/ short position	Approximate percentage of the issued shares[1]
Sinovation Ventures[2]	Beneficial interest	135,000,000	Long position	23.96%
	Interest held jointly with other persons	19,440,000	Long position	3.44%
Nuosai Yucheng[2]	Beneficial interest	8,640,000	Long position	1.53%
	Interest held jointly with other persons	145,800,000	Long position	25.87%
Mr. Wang Hua[2]	Beneficial interest	8,640,000	Long position	1.53%
	Interest held jointly with other persons	145,800,000	Long position	25.87%
Ms. Tao Ning[2]	Beneficial interest	2,160,000	Long position	0.38%
	Interest held jointly with other persons	152,280,000	Long position	27.02%
Ms. Lang Chunhui[2]	Interest held jointly with other persons	154,440,000	Long position	27.40%
Mr. Zhang Ying[2]	Interest held jointly with other persons	154,440,000	Long position	27.40%
Mr. Xu Hui	Beneficial interest	87,868,780	Long position	15.59%
	Interest in controlled corporation	33,125,040	Long position	5.88%
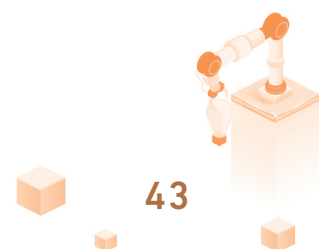
Changes in Share Capital and Information of Shareholders

Name of Shareholder	Nature of interest	Number of ordinary shares held	Long position/ short position	Approximate percentage of the issued shares[1]
SB Global Advisers Capital Markets Limited	Interest in controlled corporation	39,326,630	Long position	6.98%
SB Global Advisers Limited	Interest in controlled corporation	39,326,630	Long position	6.98%
SoftBank Group Corp.	Interest in controlled corporation	39,326,630	Long position	6.98%
SoftBank Group Overseas GK	Interest in controlled corporation	39,326,630	Long position	6.98%
SoftBank Vision Fund II-2 L.P.	Interest in controlled corporation	39,326,630	Long position	6.98%
SVF II Aggregator (Jersey) L.P.	Interest in controlled corporation	39,326,630	Long position	6.98%
SVF II GP (Jersey) Limited	Interest in controlled corporation	39,326,630	Long position	6.98%
SVF II Holdings (DE) LLC	Interest in controlled corporation	39,326,630	Long position	6.98%
SVF II Holdings (Singapore) Pte Ltd.	Interest in controlled corporation	39,326,630	Long position	6.98%
SVF II Investment Holdings (Subco) LLC	Interest in controlled corporation	39,326,630	Long position	6.98%
SVF II Investment Holdings LLC	Interest in controlled corporation	39,326,630	Long position	6.98%
SVF II Zeal Subco (Singapore) Pte. Ltd.	Beneficial interest	39,326,630	Long position	6.98%
China International Capital Corporation Limited (中國國際金融股份有限公司) ("**CICC**")[3]	Interest in controlled corporation	32,657,722	Long position	5.80%
		6,016,300	Short position	1.07%

Changes in Share Capital and Information of Shareholders

Notes:

(1)   As at 30 June 2025, the balance of the issued Shares of the Company was 563,544,438 shares (including 4,714,700 Treasury Shares).

(2)   Sinovation Ventures, Nuosai Yucheng, Mr. Wang Hua and Ms. Tao Ning directly held 135,000,000, 8,640,000, 8,640,000 and 2,160,000 Shares in our Company, respectively. Sinovation Ventures, Nuosai Yucheng, Mr. Wang Hua, Ms. Tao Ning, Ms. Lang Chunhui and Mr. Zhang Ying have been acting in concert and will continue to act in concert in the Company's Shareholders meetings and Board meetings pursuant to a concert party agreement among themselves. As a result, Sinovation Ventures, Nuosai Yucheng, Mr. Wang Hua, Ms. Tao Ning, Ms. Lang Chunhui and Mr. Zhang Ying form our Single Largest Shareholders Group. As such, each of Sinovation Ventures, Nuosai Yucheng, Mr. Wang Hua, Ms. Tao Ning, Ms. Lang Chunhui and Mr. Zhang Ying is deemed to be interested in the Shares held by other member of our Single Largest Shareholders Group.

(3)   Qingdao Jiazi Chuangzhi Equity Investment Fund (Limited Partnership) (青島甲子創智股權投資基金(有限合夥)) ("**Chuangzhi Fund**") held 26,641,422 Shares in our Company, and CICC Financial Trading Limited ("**CICC Financial**") held 6,016,300 Shares in our Company. CICC is indirectly interested in the 26,641,422 Shares and the 6,016,300 Shares held by Chuangzhi Fund and CICC Financial through different controlled corporations.

Save as disclosed above, as at 30 June 2025, the Directors, the Supervisors and the chief executives of the Company are not aware of any other person or corporation having an interest or short position in the Shares or underlying Shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.
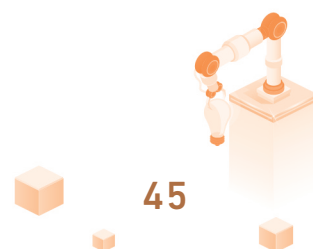
Report on Review of Interim Financial Information

TO THE BOARD OF DIRECTORS OF

AINNOVATION TECHNOLOGY GROUP CO., LTD.

(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 47 to 82, which comprises the interim condensed consolidated statement of financial position of AInnovation Technology Group Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2025 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 22 August 2025

Interim Condensed Consolidated Statement of Comprehensive Income

For the Six Months Ended 30 June 2025

| | Note | Six months ended 30 June | |
		2025 **RMB'000** **(Unaudited)**	**2024** **RMB'000** **(Unaudited)**
Revenue	7	**698,981**	571,704
Cost of sales	8	**(454,253)**	(378,479)
Gross profit		**244,728**	193,225
Selling and distribution expenses	8	**(73,571)**	(79,285)
General and administrative expenses	8	**(90,069)**	(96,444)
Research and development expenses	8	**(164,564)**	(148,042)
Net impairment losses on financial assets		**(4,110)**	(4,538)
Impairment loss on goodwill and intangible assets arising from acquisition		**—**	(19,580)
Other income	9	**20,817**	23,299
Other gains/(losses), net	10	**4,582**	(59,386)
Operating loss		**(62,187)**	(190,751)
Finance costs	11	**(3,140)**	(3,821)
Finance income	11	**2,392**	7,703
Loss before income tax		**(62,935)**	(186,869)
Income tax credit	12	**2,422**	2,316
Loss for the period		**(60,513)**	(184,553)
Other comprehensive loss, net of tax			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		**(185)**	(140)
Other comprehensive loss for the period, net of tax		**(185)**	(140)
Total comprehensive loss for the period		**(60,698)**	(184,693)
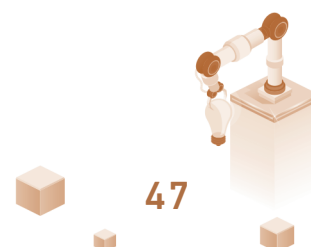
Interim Condensed Consolidated Statement of Comprehensive Income (Continued)

For the Six Months Ended 30 June 2025

	Note	Six months ended 30 June	
		2025 **RMB'000** **(Unaudited)**	2024 RMB'000 (Unaudited)
Loss for the period attributable to:			
Owners of the Company		**(56,156)**	(195,483)
Non-controlling interests		**(4,357)**	10,930
Loss for the period		**(60,513)**	(184,553)
Total comprehensive loss for the period attributable to:			
Owners of the Company		**(56,237)**	(195,559)
Non-controlling interests		**(4,461)**	10,866
Total comprehensive loss for the period		**(60,698)**	(184,693)
Basic and diluted loss per share for loss attributable to the owners of the Company (in RMB)	14	**(0.10)**	(0.36)

The notes on pages 55 to 82 are an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Note	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**30,453**	38,957
Right-of-use assets	15	**35,421**	39,643
Intangible assets	15	**191,072**	207,017
Goodwill	15	**175,213**	175,213
Deferred income tax assets		**5,608**	5,901
Financial assets at fair value through other comprehensive income		**9,000**	9,000
Financial assets at fair value through profit or loss	19	**16,750**	—
Other non-current assets		**11,828**	12,010
Total non-current assets		**475,345**	487,741
Current assets			
Inventories	16	**260,972**	156,686
Trade and notes receivables	17	**462,743**	477,913
Prepayments and other receivables	18	**350,179**	277,498
Financial assets at fair value through other comprehensive income		**12,538**	9,393
Financial assets at fair value through profit or loss	19	**32,240**	2,439
Restricted cash		**19,251**	6,583
Cash and cash equivalents		**997,046**	1,204,879
Total current assets		**2,134,969**	2,135,391
Total assets		**2,610,314**	2,623,132
EQUITY			
Equity attributable to owners of the Company			
Share capital	20	**563,545**	565,051
Share premium	20	**2,626,071**	2,631,580
Less: Treasury shares	21	**(367,908)**	(313,711)
Other reserves		**1,139,926**	1,103,042
Accumulated losses		**(2,498,218)**	(2,442,062)
		1,463,416	1,543,900
Non-controlling interests		**169,587**	168,328
Total equity		**1,633,003**	1,712,228

Interim Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2025

	Note	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		27,735	33,406
Deferred income tax liabilities		24,804	27,546
Other non-current liabilities		9,545	3,741
Financial liabilities at fair value through profit or loss	25	28,053	26,205
Total non-current liabilities		90,137	90,898
Current liabilities			
Borrowings	22	113,198	127,735
Lease liabilities		16,517	19,918
Trade and notes payables	23	388,013	289,704
Contract liabilities		139,364	109,242
Other payables and accruals	24	147,783	190,335
Current income tax liabilities		2,622	3,268
Financial liabilities at fair value through profit or loss	25	79,677	79,804
Total current liabilities		887,174	820,006
Total liabilities		977,311	910,904
Total equity and liabilities		2,610,314	2,623,132

The notes on pages 55 to 82 are an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes In Equity

For the Six Months Ended 30 June 2025

	Note	Share capital RMB'000	Less: Treasury shares RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
		(Unaudited)							
		Attributable to owners of the Company							
Balance at 1 January 2025		**565,051**	**(313,711)**	**2,631,580**	**1,103,042**	**(2,442,062)**	**1,543,900**	**168,328**	**1,712,228**
Loss for the period		—	—	—	—	(56,156)	(56,156)	(4,357)	(60,513)
Other comprehensive loss									
— Currency translation differences		—	—	—	(81)	—	(81)	(104)	(185)
Total other comprehensive loss for the period		—	—	—	(81)	—	(81)	(104)	(185)
Transactions with owners in their capacity as owners									
— Shares cancelled	21	(1,506)	7,015	(5,509)	—	—	—	—	—
— Repurchase of shares	21	—	(61,212)	—	—	—	(61,212)	—	(61,212)
— Share-based payment expenses		—	—	—	36,965	—	36,965	—	36,965
— Transactions with non-controlling interests		—	—	—	—	—	—	5,720	5,720
Total transactions with owners in their capacity as owners		(1,506)	(54,197)	(5,509)	36,965	—	(24,247)	5,720	(18,527)
Balance at 30 June 2025		563,545	(367,908)	2,626,071	1,139,926	(2,498,218)	1,463,416	169,587	1,633,003

The notes on pages 55 to 82 are an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes In Equity (Continued)

For the Six Months Ended 30 June 2025

	Note	Share capital RMB'000	Less: Treasury shares RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
				(Unaudited)					
		Attributable to owners of the Company							
Balance at 1 January 2024		565,051	(264,349)	2,631,580	949,292	(1,848,252)	2,033,322	190,823	2,224,145
(Loss)/profit for the period		—	—	—	—	(195,483)	(195,483)	10,930	(184,553)
Other comprehensive loss									
— Currency translation differences		—	—	—	(76)	—	(76)	(64)	(140)
Total other comprehensive (loss)/profit for the period		—	—	—	(76)	—	(76)	(64)	(140)
Transactions with owners in their capacity as owners									
— Repurchase of shares	21	—	(2,290)	—	—	—	(2,290)	—	(2,290)
— Share-based payment expenses		—	—	—	42,085	—	42,085	—	42,085
— Transactions with non-controlling interests		—	—	—	—	—	—	10,400	10,400
Total transactions with owners in their capacity as owners		—	(2,290)	—	42,085	—	39,795	10,400	50,195
Balance at 30 June 2024		565,051	(266,639)	2,631,580	991,301	(2,043,735)	1,877,558	212,089	2,089,647

The notes on pages 55 to 82 are an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2025

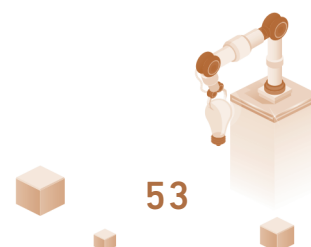|	Note	Six months ended 30 June	
		2025 **RMB'000** **(Unaudited)**	**2024** **RMB'000** **(Unaudited)**
Cash flows from operating activities			
Cash used in operations		**(10,138)**	(32,912)
Interest received		**2,392**	7,703
Income taxes paid		**(673)**	(691)
Net cash used in operating activities		**(8,419)**	(25,900)
Cash flows from investing activities			
Payments of property, plant and equipment and intangible assets		**(3,129)**	(1,133)
Proceeds from disposals of property, plant and equipment		**9**	5
Proceeds from disposal of financial assets at fair value through profit or loss		**1,924,600**	510,000
Payments of financial assets at fair value through profit or loss		**(1,971,350)**	(510,000)
Loans to a related party	28	**(690)**	(200)
Repayment of loans from a related party	28	**690**	—
Loans to a third party		**—**	(7,970)
Interest received on financial assets at fair value through profit or loss		**5,871**	4,200
Net cash used in investing activities		**(43,999)**	(5,098)

Interim Condensed Consolidated Statement of Cash Flows (Continued)

For the Six Months Ended 30 June 2025

	Note	Six months ended 30 June	
		2025 **RMB'000** **(Unaudited)**	2024 RMB'000 (Unaudited)
Cash flows from financing activities			
Transactions with non-controlling interests		**5,720**	10,400
Withdrawal by non-controlling interests		**(7,350)**	—
Repurchase of shares		**(115,190)**	(10,359)
Proceeds from bank borrowings		**52,180**	69,107
Repayments of bank borrowings		**(66,000)**	(44,201)
Interest paid of bank borrowings		**(1,985)**	(1,667)
Proceeds from related parties borrowing	28	**4,960**	16,440
Repayments of related parties borrowing	28	**(14,591)**	(6,550)
Proceeds from third parties borrowing		**—**	8,180
Repayments of third parties borrowing		**—**	(8,075)
Payments of lease liabilities		**(13,115)**	(13,697)
Net cash (used)/generated from financing activities		**(155,371)**	19,578
Net decrease in cash and cash equivalents		**(207,789)**	(11,420)
Cash and cash equivalents at beginning of the period		**1,204,879**	1,344,615
Exchange losses on cash and cash equivalents		**(44)**	(292)
Cash and cash equivalents at the end of the period		**997,046**	1,332,903

The notes on pages 55 to 82 are an integral part of this interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

1 General information of the Group

AInnovation Technology Group Co., Ltd. (the "Company") was incorporated in the People's Republic of China (the "PRC") on 6 February 2018 as a limited liability company, and changed the type of enterprise from a limited liability company to a joint stock company on 19 May 2021. The address of the Company's registered office is Room 501, Block A, Haier International Plaza, No. 939 Zhenwu Road, Economic Development Zone, Jimo District, Qingdao, Shandong, PRC.

The Company and its subsidiaries (collectively, the "Group") mainly conduct research and development of artificial intelligence technologies and provide artificial intelligence based software and hardware technology solutions services in the PRC.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 27 January 2022.

This interim condensed consolidated financial information is presented in thousands of Renminbi ("RMB"), unless otherwise stated.

This interim condensed consolidated financial information has been reviewed, not audited.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim financial reporting". The interim condensed consolidated financial information does not include all the notes of the type normally included in annual financial statements. Accordingly, the interim condensed consolidated financial information should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards.

3 Accounting policies information

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings for the full financial year.
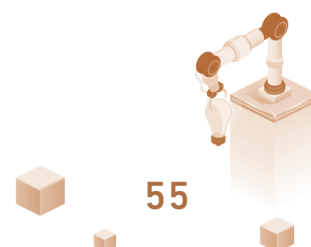
Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

3 Accounting policies information (continued)

(a) New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Standards and amendments	Key requirements	Effective for annual periods beginning on or after
IAS21 (Amendments)	Lack of Exchangeability	1 January 2025

(b) New and amended standards not yet adopted by the Group

The followings are new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group. These standards, amendments or interpretations, except for IFRS18 which will impact the presentation of statement of profit and loss, are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Standards and amendments	Key requirements	Effective for annual periods beginning on or after
IFRS 9 and IFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 9 and IFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026
	Annual Improvements to IFRS Accounting Standards	1 January 2026
IFRS 18 (Amendments)	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 (Amendments)	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 (Amendments) and IAS28 (Amendments)	Sale or contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

4 Estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2024, as described in those annual financial statements.

5 Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, cash flow and fair value interest rate risk, credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2024.

There have been no changes in the major risk management policies since 31 December 2024.

Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents and restricted cash, financial assets at fair value through other comprehensive income ("FVTOCI"), trade and notes receivables and other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.
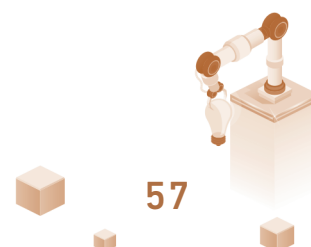
Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

5 Financial risk management (continued)

5.1 Financial risk factors (continued)

Credit risk (continued)

(i)   Credit risk of trade receivables

	Less than 3 months RMB'000	3 months to 6 months RMB'000	6 months to 12 months RMB'000	1 year to 2 years RMB'000	Over 2 years RMB'000	Total RMB'000
As at 30 June 2025						
Trade receivables (Note 17)						
Gross carrying amount	**235,792**	**84,001**	**129,854**	**50,208**	**90,109**	**589,964**
Expected loss rate	**(5.89%)**	**(10.08%)**	**(19.88%)**	**(58.72%)**	**(100.00%)**	**(28.44%)**
Collectively impaired loss allowance	**(13,880)**	**(8,468)**	**(25,819)**	**(27,655)**	**(79,912)**	**(155,734)**
Individually impaired loss allowance	**—**	**—**	**—**	**(1,827)**	**(10,197)**	**(12,024)**
Total loss allowance	**(13,880)**	**(8,468)**	**(25,819)**	**(29,482)**	**(90,109)**	**(167,758)**

	Less than 3 months RMB'000	3 months to 6 months RMB'000	6 months to 12 months RMB'000	1 year to 2 years RMB'000	Over 2 years RMB'000	Total RMB'000
As at 31 December 2024						
Trade receivables (Note 17)						
Gross carrying amount	309,098	56,318	79,636	81,539	72,468	599,059
Expected loss rate	(4.94%)	(8.86%)	(17.96%)	(62.19%)	(100.00%)	(26.33%)
Collectively impaired loss allowance	(15,257)	(4,990)	(14,299)	(41,073)	(68,850)	(144,469)
Individually impaired loss allowance	—	—	—	(9,636)	(3,618)	(13,254)
Total loss allowance	(15,257)	(4,990)	(14,299)	(50,709)	(72,468)	(157,723)

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

5 Financial risk management (continued)

5.1 Financial risk factors (continued)

Liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total RMB'000
As at 30 June 2025				
Trade and notes payables	388,013	—	—	388,013
Other payables and accruals (excluding payroll and welfare payables, warranty and other tax payables)	66,522	—	—	66,522
Borrowings	114,912	—	—	114,912
Financial liabilities at fair value through profit or loss	81,952	32,338		114,290
Lease liabilities	18,201	13,620	17,602	49,423
	669,600	45,958	17,602	733,160

5   Financial risk management (continued)

5.1 Financial risk factors (continued)

Liquidity risk (continued)

	Within 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total RMB'000
As at 31 December 2024				
Trade and notes payables	289,704	—	—	289,704
Other payables and accruals (excluding payroll and welfare payables, warranty and other tax payables)	82,664	—	—	82,664
Borrowings	129,948	—	—	129,948
Financial liabilities at fair value through profit or loss	86,861	38,250	—	125,111
Lease liabilities	21,312	14,197	21,386	56,895
	610,489	52,447	21,386	684,322

5.2 Fair value estimation

Financial instruments carried at fair value or where fair value was disclosed can be categorised by levels of the inputs to valuation techniques used to measure fair value. The inputs are categorised into three levels within a fair value hierarchy as follows:

(i)   Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

(ii)   Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

(iii)   Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

5   Financial risk management (continued)

5.2 Fair value estimation (continued)

The following table presents the Group's assets and liabilities that are measured at fair value.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2025				
Assets				
Financial assets at FVTOCI				
— Notes receivables	—	—	12,538	12,538
— Unlisted company investment	—	—	9,000	9,000
	—	—	21,538	21,538
Financial assets at fair value through profit or loss ("FVTPL")				
— Unlisted company investment	—	—	16,750	16,750
— Listed equity securities	2,240	—	—	2,240
— Structured deposits	—	30,000	—	30,000
	2,240	30,000	16,750	48,990
Liabilities				
Financial liabilities at FVTPL				
— Contingent considerations	—	—	107,730	107,730

5 Financial risk management (continued)

5.2 Fair value estimation (continued)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2024				
Assets				
Financial assets at FVTOCI				
— Notes receivables	—	—	9,393	9,393
— Unlisted company investment	—	—	9,000	9,000
	—	—	18,393	18,393
Financial assets at FVTPL				
— Listed equity securities	2,439	—	—	2,439
Liabilities				
Financial liabilities at FVTPL				
— Contingent considerations	—	—	106,009	106,009

There were no transfers between level 1, 2 and 3 during the six months ended 30 June 2025 and 2024.

The fair value of financial instruments that are not traded in an active market (level 2 and level 3) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

As at 30 June 2025, the discounted cash flow method was used to determine the fair value of notes receivables and contingent liabilities. The key assumption under the discounted cash flow method is discount rate (1.7% and 14.0%, respectively). The net asset value method was used to determine the fair value of Unlisted company investment and no key assumption is applicable for the net asset value method.

Notes to the Interim Condensed Consolidated Financial Information
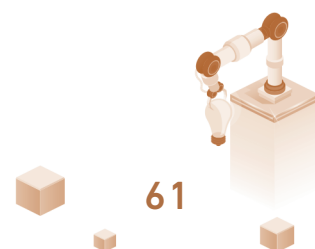
For the Six Months Ended 30 June 2025

5   Financial risk management (continued)

5.2 Fair value estimation (continued)

The following table presents the changes in level 3 items for the periods ended 30 June 2025 and 2024:

	Financial assets at FVTPL RMB'000 (Unaudited)	Financial assets at FVTOCI RMB'000 (Unaudited)	Financial liabilities at FVTPL RMB'000 (Unaudited)
Six months ended 30 June 2025 (Unaudited)			
As at the beginning of the period	—	18,393	106,009
Additions	16,750	48,274	—
Change in fair value	—	—	1,721
Disposals	—	(45,129)	—
As at the end of the period	16,750	21,538	107,730
includes unrealised losses recognized in profit or loss attributable to balances held for six months ended 30 June 2025	—	—	1,721
Six months ended 30 June 2024 (Unaudited)			
As at the beginning of the period	48,481	12,203	174,355
Additions	—	35,951	—
Change in fair value	(26,217)	—	11,204
Disposals	—	(32,354)	—
As at the end of the period	22,264	15,800	185,559
includes unrealised losses recognized in profit or loss attributable to balances held for six months ended 30 June 2024	(26,217)	—	11,204
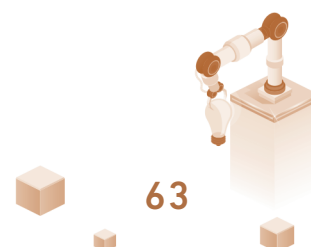
Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

6   Segment information

The executive director of the Company has been identified as the chief operating decision-maker of the Group who reviews the Group's internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

The revenue of the Group is primarily derived from artificial intelligence products and services. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

No geographical segment information is presented as most of the revenue and operating losses of the Group are derived within the PRC and most of the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

Revenue from customers contributing over 10% of the total revenue of the Group for the six months ended 30 June 2025 and 2024 is as follows:

	Six months ended 30 June	
	2025 **RMB'000** **(Unaudited)**	**2024** **RMB'000** **(Unaudited)**
Customer A	*	60,424

*   Less than 10%

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

7 Revenue

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025 **RMB'000** **(Unaudited)**	2024 RMB'000 (Unaudited)
Point in time		
— Sales of products and solutions	**616,264**	493,083
Over time		
— Sales of products and solutions	**9,873**	46,602
— Services of data solutions	**72,844**	32,019
	698,981	571,704

8 Expenses by nature

	Six months ended 30 June	
	2025 **RMB'000** **(Unaudited)**	2024 RMB'000 (Unaudited)
Material costs	**267,920**	222,796
Subcontracting costs	**227,075**	179,157
Employee benefit expenses	**168,577**	207,192
Service fees	**43,854**	10,339
Amortisation of intangible assets (Note 15)	**15,945**	22,535
Depreciation of property, plant and equipment (Note 15)	**9,870**	10,387
Depreciation of right-of-use assets (Note 15)	**7,797**	12,180
Marketing expenses	**5,169**	3,242
Travelling expenses	**5,036**	7,348
Rental and property management expenses	**3,500**	3,285
Other expenses	**27,714**	23,789
	782,457	702,250

9 Other income

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Government grants	**20,817**	23,299

Government grants provided to the Group mainly related to financial assistance from the local governments in the PRC.

10 Other gains/(losses), net

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Fair value losses on financial assets and liabilities at FVTPL	**(1,522)**	(63,620)
Interests received on financial assets at FVTPL	**5,871**	4,200
Others	**233**	34
	4,582	(59,386)

Notes to the Interim Condensed Consolidated Financial Information

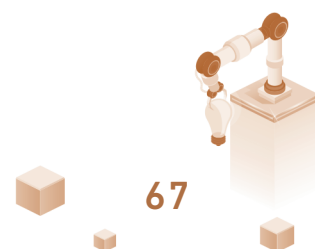For the Six Months Ended 30 June 2025

11 Finance costs and income

	Six months ended 30 June	
	2025 **RMB'000** **(Unaudited)**	2024 RMB'000 (Unaudited)
Finance costs:		
Interest expenses on lease liabilities	**(1,155)**	(2,154)
Interest expenses on bank borrowings	**(1,985)**	(1,667)
Total finance costs	**(3,140)**	(3,821)
Finance income:		
Interest income from bank deposits	**2,392**	7,703
Finance (cost)/income – net	**(748)**	3,882

12 Income tax credit

The amount of income tax charged to the consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2025 **RMB'000** **(Unaudited)**	2024 RMB'000 (Unaudited)
Current tax on profit for the period	**27**	321
Deferred income tax	**(2,449)**	(2,637)
Income tax credit	**(2,422)**	(2,316)

The Company and its subsidiaries in the PRC are subject to the PRC corporate income tax at a rate of 25% on estimated assessable profits.

12 Income tax credit (continued)

A number of subsidiaries of the Group obtained or kept the status as High and New Technology Enterprises during the six months ended 30 June 2025. According to the tax incentives of the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") for High New Tech Enterprises, these companies are subject to a reduced corporate income tax rate of 15% for three years commencing from the years when these companies are recognized as High New Tech Enterprises.

A number of subsidiaries of the Group are entitled to the preferential policy of Small and Micro-sized Enterprises, for which the applicable income tax rate is 5%.

13 Dividends

The Board does not recommend an interim dividend for the six months ended 30 June 2025 (2024: Nil).

14 Loss per share

(a) Basic loss per share

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares (excluding treasury shares) issued during the six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025 **RMB'000** **(Unaudited)**	2024 RMB'000 (Unaudited)
Loss from continuing operation attributable to the owners of the Company	**(56,156)**	(195,483)
Weighted average number of ordinary shares in issue ('000)	**535,570**	549,745
Basic loss per share (RMB)	**(0.10)**	(0.36)

Notes to the Interim Condensed Consolidated Financial Information

14 Loss per share (continued)

(b) Diluted loss per share

As the Group incurred losses for the six months ended 30 June 2025 and 2024, the potential diluted ordinary shares related to treasury shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, the diluted loss per share for the six months ended 30 June 2025 and 2024 are the same as basic loss per share of the respective period.

15 Property, plant and equipment, right-of-use assets, intangible assets and goodwill

	Property, plant and equipment RMB'000 (Unaudited)	Right-of-use assets RMB'000 (Unaudited)	Intangible assets RMB'000 (Unaudited)	Goodwill RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Six months ended 30 June 2025 (Unaudited)					
Opening net book amount as at 1 January 2025	**38,957**	**39,643**	**207,017**	**175,213**	**460,830**
Additions	**1,596**	**4,375**	**—**	**—**	**5,971**
Disposals	**(230)**	**(800)**	**—**	**—**	**(1,030)**
Depreciation and amortisation (Note 8)	**(9,870)**	**(7,797)**	**(15,945)**	**—**	**(33,612)**
Net book amount as at 30 June 2025	**30,453**	**35,421**	**191,072**	**175,213**	**432,159**
Six months ended 30 June 2024 (Unaudited)					
Opening net book amount as at 1 January 2024	56,600	65,594	327,031	327,385	776,610
Additions	4,697	17,980	—	—	22,677
Impairment charge	—	—	(9,934)	(9,646)	(19,580)
Disposals	(29)	(964)	—	—	(993)
Depreciation and amortisation (Note 8)	(10,387)	(12,180)	(22,535)	—	(45,102)
Net book amount as at 30 June 2024	50,881	70,430	294,562	317,739	733,612

The Group's intangible assets comprise customer relationship and technology from business combinations and other intangible assets.

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

16 Inventories

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Raw materials	41,300	40,403
Work in progress	219,603	117,167
Finished goods	1,551	598
	262,454	158,168
Less: allowance for impairment of inventories	(1,482)	(1,482)
	260,972	156,686

17 Trade and notes receivables

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Trade receivables	589,964	599,059
Less: Provision for impairment	(167,758)	(157,723)
	422,206	441,336
Notes receivables	40,537	36,577
	462,743	477,913

Notes to the Interim Condensed Consolidated Financial Information

17 Trade and notes receivables (continued)

As at 30 June 2025 and 31 December 2024, notes receivables were bank acceptance notes mature in six months and commercial acceptance notes mature in one year.

The carrying amounts of trade and notes receivables approximate their fair values as at the balance sheet dates.

The majority of the Group's receivables are with credit term from 30 days to 180 days. As at 30 June 2025 and 31 December 2024, the aging of the trade receivables based on the recognition date of the gross trade receivables is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Trade receivables		
Less than 3 months	235,792	309,098
3 months to 6 months	84,001	56,318
6 months to 12 months	129,854	79,636
1 year to 2 years	50,208	81,539
Over 2 years	90,109	72,468
	589,964	599,059

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

18 Prepayments and other receivables

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Other receivables		
— Deposits for share repurchase	66,795	14,247
— Deposits	11,899	12,272
— Staff advances	2,493	2,120
— Others	7,450	12,584
Other receivables, gross	88,637	41,223
Provision for impairment	(5,390)	(11,192)
Other receivables, net	83,247	30,031
Prepayments to vendors	71,592	50,805
Recoverable value–added tax	195,340	196,662
Total	350,179	277,498

The carrying amounts of other receivables approximate their fair values as at the balance sheet dates.

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

19 Financial assets at fair value through profit or loss

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Unlisted company investment	16,750	—
Listed equity securities	2,240	2,439
Structured deposits	30,000	—
	48,990	2,439

The Group invested an unlisted company with amount of RMB16,750,000 in March 2025, and classified it as a financial asset measured at fair value through profit or loss due to the redemption right obtained.

20 Share capital and share premium

The movements in share capital and share premium are set out below:

	Number of issued and fully paid shares	Share capital RMB'000	Share premium RMB'000	Total RMB'000
Six months ended 30 June 2025 (Unaudited)				
As at 31 December 2024	565,050,738	565,051	2,631,580	3,196,631
Shares cancelled (i)	(1,506,300)	(1,506)	(5,509)	(7,015)
As at 30 June 2025	563,544,438	563,545	2,626,071	3,189,616
Six months ended 30 June 2024 (Unaudited)				
As at 31 December 2023 and 30 June 2024	565,050,738	565,051	2,631,580	3,196,631

(i)   On 30 June 2025, the cumulative shares repurchased by the Company of 1,506,300 shares were cancelled (Note 21).

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

21 Treasury shares

	Six months ended 30 June	
	2025 **RMB'000** **(Unaudited)**	**2024** **RMB'000** **(Unaudited)**
At the beginning of the period	**313,711**	264,349
Shares repurchased under 2024 Share Repurchase Mandate (i)	**6,958**	—
Shares repurchased under 2025 Share Repurchase Mandate (ii)	**15,222**	—
Shares repurchased through a trustee (iii)	**39,032**	2,290
Shares cancelled (iv)	**(7,015)**	—
At the end of the period	**367,908**	266,639

(i)   Pursuant to the resolution passed by the shareholders of the Company at the annual general meeting convened on 10 May 2024, the Board of Directors of the Company was granted a general mandate (the "2024 Share Repurchase Mandate") to repurchase the shares of the Company up to not more than 10% of the total number of the shares of the Company in issue at the time of the passing of the resolution at the annual general meeting which shall expire on the earliest of: (a) the conclusion of the annual general meeting of 2024 of the Company; or (b) the date on which the Share Repurchase Mandate is withdrawn or amended by a special resolution at the general meeting. On 25 October 2024, the Board of the Company duly resolved to exercise the 2024 Share Repurchase Mandate to repurchase the shares of the Company in the open market from time to time for a maximum amount not exceeding HK$100,000,000.

For the six months ended 30 June 2025, the number of shares repurchased by the Company totalled 1,912,500 shares with total consideration amounting to approximately HK$7,508,000 (equivalent to approximately RMB6,958,000).

(ii)   Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting convened on 16 May 2025, the Board of Directors of the Company was granted a general mandate (the "2025 Share Repurchase Mandate") to repurchase the shares of the Company up to not more than 10% of the total number of the shares of the Company in issue (excluding treasury shares) at the time of the passing of the resolution at the annual general meeting which shall expire on the earliest of: (a) the conclusion of the annual general meeting of 2025 of the Company; or (b) the date on which the Share Repurchase Mandate is withdrawn or amended by a special resolution at the general meeting. On 16 May 2025, the Board of the Company duly resolved to exercise the 2025 Share Repurchase Mandate and planned to repurchase the shares of the Company in the open market from time to time for a maximum amount not exceeding RMB100,000,000.

For the six months ended 30 June 2025, the number of shares repurchased by the Company totalled 2,802,200 shares with total consideration amounting to approximately HK$16,662,000 (equivalent to approximately RMB15,222,000).

(iii)   For the six months ended 30 June 2025 and 2024, the Company, through trustees, repurchased 7,422,700 shares and 488,000 shares at a total cash consideration of approximately HK$42,641,000 and HK$2,514,000 (equivalent to approximately RMB39,032,000 and RMB2,290,000) on the Hong Kong Stock Exchange respectively. The repurchased shares were recognized as treasury shares and will be fully used as awards shares under a new equity incentive scheme.

(iv)   For the six months ended 30 June 2025, the number of shares cancelled by the Company totalled 1,506,300 shares with total consideration amounting to approximately HK$7,608,000 (equivalent to approximately RMB7,015,000).

Notes to the Interim Condensed Consolidated Financial Information
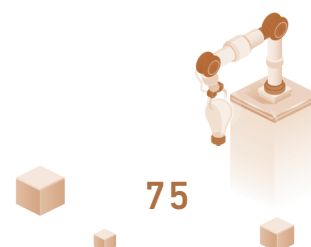
For the Six Months Ended 30 June 2025

22 Borrowings

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Current		
— Borrowings in relation to discounting notes receivable (i)	2,207	735
— Bank loans, guaranteed (ii)	82,991	106,000
— Bank loans, unsecured	28,000	21,000
	113,198	127,735

The Group's borrowings comprised:

(i)   As at 30 June 2025, borrowings in relation to discounting notes receivables with aggregated amount of RMB2,207,000 represented the proceeds received from the discounting of the Group's notes receivable with recourse. As these notes receivable had not yet matured, the proceeds were recorded as borrowings.

(ii)   As at 30 June 2025, the bank loans with aggregated amount of RMB82,991,000 were guaranteed by: 1) Mr. Chen Hong, to the extent of RMB27,990,000; 2) Mr. Chen Hong and Ms. Liao Lu, the non-controlling shareholder of AInnovation EHigher (Shanghai) Intelligence Technology Co., Ltd. ("Shanghai EHigher"), and a guarantee company, to the extent of RMB22,000,000; 3) Mr. Li Weiguo, the director and non-controlling shareholder of Qingdao Aolipu Qizhi Intelligent Industrial Technology Co., Ltd., to the extent of RMB16,000,000; 4) Mr. Chen Hong, Ms. Liao Lu, and the patent right of Shanghai EHigher, to the extent of RMB7,000,000; 5) Mr. Ma Li, the director and non-controlling shareholder of Shanghai Compass Information Technology Co., Ltd., and his spouse, to the extent of RMB7,000,000; 6) Mr. Ma Li, his spouse, and a guarantee company, to the extent of RMB3,000,000; 7) Mr. Liu Qian, the director and non-controlling shareholder of Shanghai Jiaqian Construction Engineering Co., Ltd., to the extent of RMB1,000.

For the six months ended 30 June 2025, the interest rates relating to the Group's borrowings ranged from 2.75% to 3.60% per annum (31 December 2024: 2.75% to 3.85% per annum). The borrowings of the Group are all loans denominated in RMB.

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

23 Trade and notes payables

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Accounts payable	379,013	287,006
Notes payable	9,000	2,698
	388,013	289,704

As at 30 June 2025 and 31 December 2024, the aging analysis of the trade and notes payables based on transaction date were as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Within 3 months	200,386	146,321
Between 3 months and 6 months	36,183	36,158
Between 6 months and 1 year	80,325	46,541
Between 1 year and 2 years	47,666	37,234
Between 2 years and 3 years	23,453	23,450
	388,013	289,704

The carrying amounts of trade and notes payables approximate their fair values as at the balance sheet dates.

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

## 24 Other payables and accruals

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Payroll and welfare payables	61,563	74,080
Accruals and other payables	49,306	55,817
Other payables to related parties (Note 28)	7,940	17,571
Other taxes payable	19,698	30,934
Interest payable on convertible bond	9,276	9,276
Warranty	—	2,657
	147,783	190,335

The carrying amounts of other payables and accruals approximate their fair values as at the balance sheet dates.

25 Financial liabilities at fair value through profit or loss

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Contingent considerations (i)	107,730	106,009

(i)   In May 2022 and 2023, the Company entered into two and one transfer agreements respectively with the then shareholders of three companies to acquire an aggregate 51% interests in each of the three companies with fixed considerations and contingent considerations which would be adjusted according to the performance commitment. The contingent considerations represented liabilities measured at fair value, and the fair values were determined using valuation model for which not all inputs are observable and are therefore within level 3 of the fair value hierarchy (Note 5.2). During the six months ended 30 June 2025, the change in fair value of contingent considerations amounted to approximately RMB1,721,000.
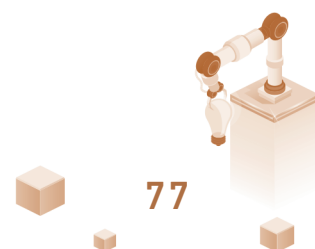
Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

26 Commitments

Capital commitments

As at 30 June 2025 and 31 December 2024, the Group had the following capital commitments:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Contracted but not provided for		
— Leasehold improvement	**278**	1,184

27 Contingencies

Contingent liabilities

For the six months ended 30 June 2025, due to a commercial lawsuit by one of the Group's subsidiaries, the subsidiary's bank deposits totalling RMB11,273,000 and its equity interests in two subsidiaries have been frozen. No provision in relation to the lawsuit has been recognized in the financial statements, as the lawsuit is ongoing and management considered that the outcome of the lawsuit cannot be reasonably estimated.

Notes to the Interim Condensed Consolidated Financial Information
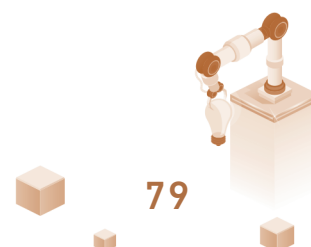
28 Related party transactions

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

(a) Related parties

The directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group during the six months ended 30 June 2025 and 2024:

Name of related parties	Relationship with the Company
Sinovation Ventures (Beijing) Enterprise Management Limited ("Sinovation Ventures")	Shareholder of the Company
CISDI (Chongqing) Information Technology Co., Ltd. ("CISDI Information")	Non-controlling shareholder of a subsidiary
CISDI Group Co., Ltd.	The parent company of CISDI Information
CISDI Engineering Co., Ltd.	Controlled by CISDI Group Co., Ltd.
Chongqing CISDI Engineering Consulting Co., Ltd. ("CISDI Engineering Consulting")	Controlled by CISDI Group Co., Ltd.
Mr. Li Weiguo	Director and non-controlling shareholder of a subsidiary
Mr. Chen Hong	Director and non-controlling shareholder of a subsidiary
Mr. Ma Li	Director and non-controlling shareholder of a subsidiary
Qingdao Shupu Intelligent Interconnection Technology Co., Ltd. ("Qingdao Shupu")	Associate of the Group

Other than as disclosed elsewhere in this report, the following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the reporting period.

28 Related party transactions (continued)

(b) Transactions with related parties

		Six months ended 30 June	
		2025 **RMB'000** **(Unaudited)**	**2024** **RMB'000** **(Unaudited)**
(i)	Sales and services to related parties		
	Sinovation Ventures	—	816
	CISDI Group Co., Ltd. and its subsidiaries	—	713
		—	1,529
(ii)	Services provided by related parties		
	Qingdao Shupu	**1,241**	1,387
(iii)	Received loans from a related party		
	Mr. Chen Hong	**4,960**	—
	Mr. Li Weiguo and a company controlled by him	—	15,550
	Mr. Ma Li	—	890
		4,960	16,440
(iv)	Repayment of loans to a related party		
	Mr. Li Weiguo and a company controlled by him	**9,631**	6,550
	Mr. Chen Hong	**4,960**	—
		14,591	6,550
(v)	Loans to a related party		
	Qingdao Shupu	**690**	200
(vi)	Repayment of loans from a related party		
	Qingdao Shupu	**690**	—

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

28 Related party transactions (continued)

(c) Balances with related parties

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
(i) Receivables from related parties		
Trade		
Trade receivables		
— CISDI Group Co., Ltd. and its subsidiaries	**7,611**	11,066
Provision for impairment	**(3,353)**	(3,603)
	4,258	7,463
(ii) Payables to related parties		
Non-Trade		
Other payables and accruals		
— Mr. Li Weiguo	**7,940**	17,571

28 Related party transactions (continued)

(d) Key management compensation

Key management includes directors (executive and non-executive), supervisors and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, bonus and other welfare	6,848	4,306
Share-based payment expenses	15,388	13,395
	22,236	17,701

29 Events after the reporting period

The Group had no significant events after the reporting period and up to the date of the approval of the unaudited interim condensed consolidated financial statements.

创新奇智
AInnovation

人工智能
賦能商業價值
Empower Businesses
with AI Technology