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iMotion Automotive Technology (Suzhou) Co., Ltd.
知行汽車科技(蘇州)股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1274)

**(1) INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2026;
(2) PROPOSED ADOPTION OF THE 2026 H SHARE AWARD SCHEME AND
PROPOSED AUTHORIZATION TO THE BOARD AND/OR AUTHORIZED
PERSON(S) TO HANDLE MATTERS RELATING TO THE 2026 H SHARE
AWARD SCHEME**

**(1) INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30,
2026**

FINANCIAL HIGHLIGHTS

During the Reporting Period, the Group have recorded:

- Revenue of RMB760.50 million, which was increased by 107.79% compared to the corresponding period in 2025.
- Gross profit of RMB92.40 million, which was increased by 441.20% compared to the corresponding period in 2025.
- Gross profit margin was 12.15% (corresponding period in 2025: 4.67%).
- Loss before tax for the Reporting Period was decreased by 69.71% to RMB53.88 million (corresponding period in 2025: loss of RMB177.86 million).
- Loss attributable to the equity shareholders of the Company for the Reporting Period was decreased by 70.21% to RMB53.01 million (corresponding period in 2025: loss of RMB177.95 million).
- Basic and diluted loss per share attributable to ordinary equity shareholders of the parent amounted to RMB0.21 for the Reporting Period (corresponding period in 2025: loss of RMB0.75).
- The Board does not recommend the payment of an interim dividend for the Reporting Period (corresponding period in 2025: Nil).

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of iMotion Automotive Technology (Suzhou) Co., Ltd. (the “**Company**”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**” or “**us**”) for the six months ended June 30, 2026 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2026 – unaudited

(Expressed in RMB)

		Six months ended 30 June	
	Note	2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	760,495	365,993
Cost of sales		<u>(668,091)</u>	<u>(348,919)</u>
Gross profit		92,404	17,074
Selling expenses		(7,103)	(10,470)
Administrative expenses		(40,988)	(31,365)
Research and development expenses		(98,257)	(156,526)
Impairment losses on financial assets		(13,933)	(1,413)
Other income	5	17,541	2,904
Other gains/(losses) – net	6	<u>1,522</u>	<u>(2,444)</u>
Operating loss		(48,814)	(182,240)
Finance income	7	2,400	6,215
Finance costs	7	<u>(7,461)</u>	<u>(1,836)</u>
Finance (costs)/income – net	7	(5,061)	4,379
Loss before income tax		(53,875)	(177,861)
Income tax	8	<u>125</u>	<u>(85)</u>
Loss for the period		<u>(53,750)</u>	<u>(177,946)</u>
Attributable to:			
Equity shareholders of the Company		(53,012)	(177,946)
Non-controlling interests		<u>(738)</u>	<u>–</u>
Loss for the period		<u>(53,750)</u>	<u>(177,946)</u>
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		<u>97</u>	<u>64</u>
Loss and total comprehensive loss for the period		<u>(53,653)</u>	<u>(177,882)</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2026 – unaudited (continued)

(Expressed in RMB)

		Six months ended 30 June	
	<i>Note</i>	2026	2025
		<i>RMB'000</i>	<i>RMB'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
Attributable to:			
Equity shareholders of the Company		(52,915)	(177,882)
Non-controlling interests		(738)	—
Loss and total comprehensive loss for the period		<u>(53,653)</u>	<u>(177,882)</u>
Loss per share attributable to the equity shareholders of the Company (in RMB)			
Basic and diluted loss per share	9	<u>(0.21)</u>	<u>(0.75)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 June 2026 – unaudited
(Expressed in RMB)

	<i>Note</i>	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment		453,024	433,303
Right-of-use assets		30,085	30,315
Intangible assets		66,213	74,277
Interests in associates		1,054	—
Financial assets at fair value through profit or loss		11,500	10,000
Other non-current assets		20,551	24,566
		582,427	572,461
Current assets			
Inventories	<i>10</i>	383,793	291,543
Other current assets		119,953	48,647
Trade and notes receivables	<i>11</i>	272,042	232,080
Financial assets at fair value through other comprehensive income		5,271	30,012
Financial assets at fair value through profit or loss		144,267	300,468
Restricted cash		50,062	62
Cash and cash equivalents		266,817	260,699
		1,242,205	1,163,511
Total assets		1,824,632	1,735,972
Equity			
Share capital		249,004	252,636
Reserves		1,527,817	1,538,404
Accumulated losses		(977,581)	(924,569)
Total equity attributable to equity shareholders of the Company		799,240	866,471
Non-controlling interests		3,356	4,094
Total equity		802,596	870,565

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 June 2026 – unaudited (continued)
(Expressed in RMB)

	<i>Note</i>	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Borrowings	12	410,951	298,614
Lease liabilities		499	—
Provisions		4,310	7,429
Deferred income		3,131	3,280
Deferred tax liabilities		2,296	2,421
		<u>421,187</u>	<u>311,744</u>
Current liabilities			
Trade payables	13	206,964	160,588
Other payables and accruals	14	103,072	190,716
Contract liabilities	4	12,154	16,290
Borrowings	12	274,237	179,680
Lease liabilities		567	974
Provisions		3,855	5,415
		<u>600,849</u>	<u>553,663</u>
Total liabilities		<u>1,022,036</u>	<u>865,407</u>
Total equity and liabilities		<u>1,824,632</u>	<u>1,735,972</u>
Net current assets		<u>641,356</u>	<u>609,848</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2026 – unaudited
(Expressed in RMB)

	Attributable to equity shareholders of the Company				Non-	Total
	Share capital	Reserves	Accumulated losses	Total	controlling interests	equity
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2026	252,636	1,538,404	(924,569)	866,471	4,094	870,565
Loss for the period	-	-	(53,012)	(53,012)	(738)	(53,750)
Other comprehensive loss	-	(97)	-	(97)	-	(97)
Provision of safety fund surplus reserve	-	83	(83)	-	-	-
Utilisation of safety fund surplus reserve	-	(83)	83	-	-	-
	-	(97)	(53,012)	(53,109)	(738)	(53,847)
Transactions with the equity shareholders of the Company						
Repurchase of ordinary shares	(3,632)	(10,490)	-	(14,122)	-	(14,122)
As at 30 June 2026 (Unaudited)	249,004	1,527,817	(977,581)	799,240	3,356	802,596

	Attributable to equity shareholders of the Company				Non-	Total
	Share capital	Reserves	Accumulated losses	Total	controlling interests	equity
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2025	230,757	1,181,008	(508,741)	903,024	-	903,024
Loss for the period	-	-	(177,946)	(177,946)	-	(177,946)
Other comprehensive loss	-	(64)	-	(64)	-	(64)
Provision of safety fund surplus reserve	-	200	(200)	-	-	-
Utilisation of safety fund surplus reserve	-	(200)	200	-	-	-
	-	(64)	(177,946)	(178,010)	-	(178,010)
Transactions with the equity shareholders of the Company						
Placing of new shares	11,191	198,991	-	210,182	-	210,182
Shares purchased under Share Award Scheme	-	(27,258)	-	(27,258)	-	(27,258)
	11,191	171,733	-	182,924	-	182,924
As at 30 June 2025 (Unaudited)	241,948	1,352,677	(686,687)	907,938	-	907,938

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30 June 2026 – unaudited
(Expressed in RMB)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net cash used in operations	(240,633)	(103,487)
Interest received from cash at banks	2,338	5,980
Net cash used in operating activities	(238,295)	(97,507)
Cash flows from investing activities		
Payments for property, plant and equipment	(88,923)	(121,399)
Payments for intangible assets	(1,057)	(3,028)
Proceeds from sale of property, plant and equipment	633	149
Proceeds from disposals of financial assets at fair value through profit or loss	581,915	520,260
Payments for financial assets at fair value through profit or loss	(426,500)	(326,573)
Payments for equity investments	(1,054)	(3,700)
Loans to an employee	(1,050)	–
Net cash generated from investing activities	63,964	65,709
Cash flows from financing activities		
Proceeds from contributions from equity shareholders	–	210,182
Payments of lease liabilities	(858)	(2,673)
Repayments of borrowings	(29,191)	(54,500)
Proceeds from borrowings	236,036	106,159
Interest paid for borrowings	(7,026)	(1,826)
Payments for shares purchased under share award scheme	–	(27,258)
Payments for purchase of own shares	(14,122)	–
Net cash generated from financing activities	184,839	230,084
Net increase in cash and cash equivalents	10,508	198,286
Cash and cash equivalents at the beginning of the period	260,699	181,114
Exchange losses on cash and cash equivalents	(4,390)	(778)
Cash and cash equivalents at the end of the period	266,817	378,622

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

iMotion Automotive Technology (Suzhou) Co., Ltd. was incorporated in Suzhou on 27 December 2016 as a limited liability company. The address of its registered office is No.28 Yingqian Road, Industrial Park, Suzhou, Jiangsu Province, the PRC. Upon approval by the shareholders' general meeting held in November 2022, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "iMotion Automotive Technology (Suzhou) Co., Ltd. (知行汽車科技(蘇州)有限公司)" to "iMotion Automotive Technology (Suzhou) Co., Ltd. (知行汽車科技(蘇州)股份有限公司)" on 29 December 2022.

In December 2023, the Company successfully completed its initial public offering. The Company's H shares have been listed on The Main Board of The Stock Exchange of Hong Kong Limited since 20 December 2023.

The Company and its subsidiaries (together, "the Group") are principally engaged in the development, manufacturing and sale of advanced driver assistance solutions and products.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, Interim financial reporting, issued by International Accounting Standards Board ("IASB"). It was authorised for issue on 17 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards ("IFRSs").

The interim financial report is unaudited.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. The annual financial statements for the year ended 31 December 2025 are available in the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 27 March 2026.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements. The impacts of adopting these amendments are discussed below.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments

The amendments cover three main aspects:

- The amendments clarify when a financial asset or a financial liability is recognised and derecognised. They also introduce an optional exception that permits an entity to derecognise a financial liability before the settlement date when the financial liability is settled in cash using an electronic payment system, provided that specific criteria are met.
- For the assessment of whether a financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, the amendments clarify the assessment of interest and introduce an additional test for the financial assets with contingent features, for example environmental, social or governance (“ESG”)-linked features. The amendments also clarify the difference between financial assets with non-recourse features and contractually linked instruments which may then change the applicable assessments.
- The amendments introduce new disclosures for disposals of investments in equity instruments designated at FVOCI, and for financial instruments not measured at FVPL which contain contractual terms that could change the amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event that does not relate directly to changes in basic lending risks and costs.

The application of the amendments does not have a material impact on the Group’s condensed consolidated financial statements for the periods presented.

4 REVENUE AND SEGMENT INFORMATION

(a) Description of segments and principal activities

During the six months ended 30 June 2026, the Group is mainly engaged in the production, research and development and sales of advanced driver assistance solutions and products in the PRC. The executive directors of the Company (i.e., the CODM) review the operating results of the business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

Geographical information

The majority of the Group’s business and operations are conducted in Mainland China and currently, the Group’s principal market, majority of revenue, operating loss and non-current assets are derived from/ located in the PRC. Accordingly, no geographical segment information is presented.

(b) Revenue during the reporting period

Revenue represents the invoiced value of goods sold and rendering of services, which is net of rebate and discounts.

Revenue mainly comprises sales of advanced driver assistance solutions and products and rendering of services. An analysis of the Group’s revenue by category for the six months ended 30 June 2026 and 2025 is as follows:

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
Advanced driver assistance solutions and products	664,140	327,495
Autonomous driving-related R&D services	17,860	25,790
Sales of PCBA products and other auxiliary materials	78,353	12,708
	<u>760,353</u>	<u>365,993</u>
Revenue from other sources		
Rental income	142	—
	<u>760,495</u>	<u>365,993</u>

All the Group's revenue is recognised at a point in time.

(c) Assets and liabilities related to contracts with customers

The Group recognised the following assets and liabilities related to the contracts with customers:

	As at 30 June 2026 <i>RMB'000</i> (Unaudited)	As at 31 December 2025 <i>RMB'000</i> (Audited)
Non-current assets recognised for upfront payments to customers	875	1,750
Current assets recognised for upfront payments to customers	<u>1,750</u>	<u>1,750</u>
Total assets recognised for upfront payments to customers (i)	<u>2,625</u>	<u>3,500</u>
Current assets recognised for costs incurred to fulfill contracts	<u>73,918</u>	<u>37,845</u>
Total assets recognised for costs incurred to fulfill contracts (ii)	<u>73,918</u>	<u>37,845</u>
Current liabilities – rendering of services	10,754	14,874
Current liabilities – sales of products	<u>1,400</u>	<u>1,416</u>
Total contract liabilities	<u>12,154</u>	<u>16,290</u>

(i) Assets recognised for upfront payments to customers

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Assets recognised for upfront payments to customers	3,500	5,250
Amortisation recognised as a reduction of revenue during the period	(875)	(1,750)
	<u>2,625</u>	<u>3,500</u>

(ii) Assets recognised from costs to fulfill contracts

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Assets recognised from costs incurred to fulfill contracts	104,855	59,492
Less: provisions for impairment of contract fulfillment costs	(30,937)	(21,647)
	<u>73,918</u>	<u>37,845</u>

Contract fulfillment costs represented costs that relate directly to a contract for autonomous driving related R&D services provided by the Group, primarily including direct labour, direct materials and allocations of costs incurred in providing the promised services directly to the customers. The provision for impairment of contract fulfillment costs as recognised was RMB9,290,000 (2025: RMB1,475,000) for the six months ended 30 June 2026.

(iii) Changes in contract liabilities

The decrease was due to the fulfillment of obligations with respect to the contract liabilities, and the amount of contract liabilities was recognised as revenue during the six months ended 30 June 2026.

(iv) Revenue recognised in relation to contract liabilities

	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue recognised that was included in the contract liability balance at the beginning of the period	<u>8,013</u>	<u>15,529</u>

5 OTHER INCOME

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Value-added tax (“VAT”) additional deduction	15,417	–
Government grants (i)	2,124	2,904
	<u>17,541</u>	<u>2,904</u>

- (i) During the six months ended 30 June 2026, the government grants mainly include government subsidies for the Group’s research and development expenditures. There are no unfulfilled conditions or other contingencies attaching to the grants recognised.

6 OTHER GAINS/(LOSSES) – NET

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net fair value gains on financial assets at Fair value through profit or loss (“FVPL”)	2,731	1,280
Net gains on disposals of property, plant and equipment and intangible assets	24	1
Net foreign exchange losses	(1,346)	(3,732)
Others	113	7
	<u>1,522</u>	<u>(2,444)</u>

7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging and crediting the following:

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
(a) Finance income and costs:		
Finance income:		
Interest income on cash at banks	2,400	6,215
Finance cost:		
Interest on bank loans and other borrowings	(7,444)	(4,471)
Interest on lease liabilities	(17)	(48)
Total interest expense	(7,461)	(4,519)
Less: interest expense capitalised into properties under development	–	2,683
	<u>(5,061)</u>	<u>4,379</u>

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
(b) other items:		
Cost of inventories	641,362	339,370
Depreciation:		
– property, plant and equipment	13,806	7,033
– right-of-use assets	617	2,530
Research and development expenses (i)	98,257	156,526
Amortisation of intangible assets	9,121	5,055

- (i) During the six months ended 30 June 2026 and 2025, staff costs and depreciation expenses in research and development expenses are RMB72,238,000 and RMB117,097,000, respectively, which are also included in the total amounts disclosed separately above.

8 INCOME TAX

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Current income tax	–	85
Deferred income tax	(125)	–
Income tax	(125)	85

The Group's principal applicable taxes and tax rates are as follows:

The Company was entitled to a preferential corporate income tax rate of 15% during the six months ended 30 June 2026 and 2025. The Company obtained its High and New Technology Enterprises (“HNTE”) qualification in the year 2019, and hence it is entitled to a preferential tax rate of 15% for a three-year period commencing 2019. This qualification is subject to a requirement that the Company should reapply for HNTE qualification every three years. The Company re-applied for HNTE qualification, and the application was approved for another three-year period commencing from 2025.

In accordance with the Public Notice Jointly Issued by the MOF and STA Regarding the Further Supporting of Preferential Tax Policies for Small and Micro Enterprises (“SMEs”) and Individual Businesses (MOF&SAT Public Notice 2023 No. 12), for SMEs, the policy that their annual taxable income shall be reduced by 25% and subject to CIT at the rate of 20% was extended to 31 December 2027.

Except for iMotion Electronics Technology (Suzhou) Co., Ltd., and iMotion Automotive Technology (Jiaxing) Co., Ltd., the Company's subsidiaries qualified as a small low-profit enterprise and enjoyed the above preferential income tax policy.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% from 2018 onwards (subsequently raised to 200% from 2021 onwards) of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the “Super Deduction”).

9 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share for the six months ended 30 June 2026 and 2025 are calculated by dividing the loss attribute to the equity shareholders of the Company by weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Loss attributable to the ordinary equity holders of the Company (<i>RMB'000</i>)	(53,750)	(177,946)
Weighted average number of ordinary shares outstanding (thousand shares) (<i>Note</i>)	<u>251,801</u>	<u>236,775</u>
Basic loss per share (expressed in RMB per share)	<u>(0.21)</u>	<u>(0.75)</u>

Note: The weighted average number of ordinary shares for the six months ended 30 June 2026 was adjusted for the effect of the purchase of own shares in 2026.

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive instruments. For the six months ended 30 June 2026 and 2025, diluted loss per share was the same as basic loss per share as there were no potentially dilutive ordinary shares outstanding during the periods.

10 INVENTORIES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Raw materials	144,103	81,850
Work in progress	21,139	7,923
Finished goods	<u>251,296</u>	<u>235,749</u>
	416,538	325,522
Less: provisions for impairment	<u>(32,745)</u>	<u>(33,979)</u>
	<u>383,793</u>	<u>291,543</u>

- (a) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Carrying amount of inventories sold	641,362	339,370
Write down of inventories	3,410	4,048
Reversal of write-down of inventories	(4,644)	—
	640,128	343,418

11 TRADE AND NOTES RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables	289,637	236,631
Notes receivables	5,215	7,446
Loss allowance	(22,810)	(11,997)
Total	272,042	232,080

As at 30 June 2026 and 31 December 2025, the aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 3 months	254,673	214,414
3 to 6 months	9,010	5,973
6 to 12 months	11,326	7,704
Over 12 months	14,628	8,540
Total	289,637	236,631

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.

12 BORROWINGS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
<i>Secured</i>		
Bank borrowings (a)	285,951	240,614
<i>Unsecured</i>		
Bank borrowings (b)	125,000	58,000
	410,951	298,614
Borrowings included in current liabilities:		
<i>Secured</i>		
Bank borrowings (a)	40,930	33,422
<i>Unsecured</i>		
Bank borrowings (b)	84,000	82,000
Other loans (c)	129,000	64,000
Bills payable (d)	20,000	—
Interest payables	307	258
	274,237	179,680
Total borrowings	685,188	478,294

- (a) The Group has pledged its land use rights and buildings with carrying amounts of approximately RMB375,554,000 (31 December 2025: RMB29,390,000) to banks as the security for the long-term bank borrowings of RMB326,881,000 (31 December 2025: RMB274,036,000) as at 30 June 2026. The Group's long-term interest-bearing borrowings were RMB-denominated borrowings with floating rates linked to Loan Prime Rate. Interest is payable quarterly. The principal for the borrowings are payable in batches from 21 June 2026 to 14 November 2033.
- (b) As at 30 June 2026, the Company had unsecured borrowings from PRC banks with amounts totaling RMB209,000,000 (31 December 2025: RMB140,000,000) and an effective interest rate of 2.17% to 2.60% per annum.
- (c) As at 30 June 2026, borrowings of RMB129,000,000 (31 December 2025: RMB64,000,000) comprise of short-term borrowings as obtained from letter of credit financing.
- (d) As at 30 June 2026, borrowings of RMB20,000,000 (31 December 2025: Nil) comprise of short-term borrowings as obtained from the discounting of bank acceptance notes. The Group recognised the cash obtained from the discount of notes receivable that did not satisfy the derecognition criteria as short-term borrowings and the interests thereon were calculated based on the effective interest rate method and included as borrowing interest expenses.

(e) Other disclosures

During the six months ended 30 June 2026 and the year ended 31 December 2025, the Group had not been in violation of any of the covenants pursuant to the applicable borrowing agreements that the Group entered with the lenders.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity date, whichever is earlier, were as follows:

	As at 30 June 2026 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2025 <i>RMB'000</i> <i>(Audited)</i>
Less than 6 months	199,191	27,711
Between 6 and 12 months	74,739	151,711
Between 1 and 2 years	54,026	43,778
Between 2 and 5 years	302,914	217,919
Over 5 years	54,011	36,917
	<u>684,881</u>	<u>478,036</u>

The fair values of current borrowings approximate their carrying amount as the discounting impact is not significant.

13 TRADE PAYABLES

	As at 30 June 2026 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2025 <i>RMB'000</i> <i>(Audited)</i>
Trade payables		
– Payables for materials	<u>206,964</u>	<u>160,588</u>

(a) The carrying amounts of trade payables approximate their fair values due to their short-term maturity in nature.

(b) The aging analysis of the trade payables based on purchase date is as follows:

	As at 30 June 2026 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2025 <i>RMB'000</i> <i>(Audited)</i>
Within to 1 year	<u>206,964</u>	<u>160,588</u>

14 OTHER PAYABLES AND ACCRUALS

	As at 30 June 2026 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2025 <i>RMB'000</i> <i>(Audited)</i>
Payables for purchases of property, plant and equipment	30,976	78,126
Payroll and welfare payables	13,916	41,088
Accruals	12,728	19,642
Other taxes payables	3,340	10,195
Others (a)	42,112	41,665
	<u>103,072</u>	<u>190,716</u>

- (a) The Group agreed to collect service fees from an OEM customer and pay on behalf of the customer to a supplier, who provided part of the R&D services in relation to its hardware and software used in advanced driver assistance products. As at 30 June 2026, the service fees collected by the Company from the customer but unpaid to the supplier were approximately RMB36,306,000 (31 December 2025: RMB37,496,000).

15 DIVIDEND

No dividend has been paid or declared by the Company during the six months ended 30 June 2026 and 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

I. MARKET REVIEW

In the first half of 2026, China's automotive industry faced headwinds, while the growth of new energy vehicles and exports was driving structural upgrading

In the first half of 2026, China's automotive production and sales reached 14.993 million units and 15.017 million units, representing period-on-period decreases of 4.0% and 4.1% respectively. Among them, production and sales of passenger vehicle reached 12.721 million units and 12.720 million units, representing period-on-period decreases of 5.9% and 6.0% respectively; production and sales of commercial vehicle reached 2.272 million units and 2.297 million units, representing period-on-period growth of 8.2% and 8.3% respectively. Chinese-brand passenger cars maintained strong momentum, with their market share stabilizing at around 70% in the first half year; in June, the market share of Chinese-brand passenger cars exceeded 75%, setting a new record high.

Production and sales of new energy vehicles continued to sustain rapid growth. In the first half of 2026, China's production and sales of new energy vehicle totaled 7.438 million units and 7.446 million units, representing period-on-period growth of 6.7% and 7.3% respectively. New energy vehicle captured a market share of 49.6%, with market share steadily increasing.

Vehicle exports maintained strong growth. In the first half of 2026, cumulative exports reached 5.096 million units, setting a record high for the corresponding period and representing a period-on-period increase of 65.3%. Among these, new energy vehicle exports amounted to 2.355 million units, surging by 120% period-on-period and serving as the core driver of export growth.

The regulatory framework for intelligent driving was being refined at an accelerated pace

In the first half of 2026, China's intelligent driving industry entered a period of intensive implementation of its standards framework. In January 2026, GB/T 47025-2026 *"Intelligent and Connected Vehicles — Simulation Test Methods and Requirements for Automated Driving Functions"* (《智慧網聯汽車自動駕駛功能仿真試驗方法及要求》) was officially released, marking the first time that a unified specification for automated driving simulation testing systems was established. In February 2026, the Ministry of Industry and Information Technology ("MIIT") published for public consultation the draft of the mandatory national standard *"Intelligent and Connected Vehicles — Safety Requirements for Automated Driving Systems"* (《智慧網聯汽車自動駕駛系統安全要求》). This is the first mandatory national standard draft in China targeting Level 3 and Level 4 automated driving vehicles, setting out technical requirements regarding system safety boundaries, Operational Design Domain (ODD), data storage and accident related provisions. On 27 June 2026, the mandatory national standard *"Intelligent and Connected Vehicles — Safety Requirements for Combined Driving Assistance Systems"* (《智慧網聯汽車組合駕駛輔助系統安全要求》)(GB 47955-2026) was officially released and will take effect on 1 January 2027. This is China's first mandatory national standard for Level 2 combined driving assistance systems. The standard prescribes separate safety requirements for three categories — basic single lane, basic multi lanes and navigate on autopilot. It clearly reinforces the "assistance" nature of the system and imposes mandatory requirements on human machine interaction and user training. These policies signal a shift in China's intelligent driving sector from a previous focus on rapid growth to an emphasis on regulation and safety, which will help further raise the baseline for product safety and enhance consumer confidence in intelligent driving.

The penetration rate of advanced driver assistance systems continued to increase

Since the beginning of 2026, the penetration rate of Level 2 combined driving assistance functions in new passenger cars in the domestic market has reached 70.5%, marking a further increase compared with the same period last year. Highway Navigate on Autopilot ("NOA") and urban NOA were no longer confined to high end models, but continued to expand downward into the mainstream price band of RMB100,000-RMB200,000, with the penetration rate of NOA equipped models exceeding 34.2%. The penetration rate of factory-fitted intelligent driving domain controllers has risen to 37.21%, marking a period-on-period increase of 14 percentage points.

Autonomous driving algorithms continued to upgrade and iterate

In the first half of 2026, intelligent driving technologies continued to advance at an accelerated pace. Vision-Language-Action ("VLA") large models, world models and end-to-end algorithms have entered the mass production and deployment phase, endowing systems with both scene comprehension and the capability to anticipate physical laws. Leveraging a data closed-loop combining simulation and real-vehicle operations, the handling of long-tail complex scenarios by intelligent driving systems has been notably improved. At the same time, intelligent driving was emerging as the starting point for "Physical AI" and achieving technological convergence with embodied intelligence, while vehicle side algorithms and hardware were rapidly spreading into low-speed unmanned scenarios and humanoid robotics, among other domains.

II. BUSINESS REVIEW

The Group is an intelligent driving solution provider in China. Relying on a number of advanced system R&D capabilities such as computing platforms, efficient middleware and artificial intelligence algorithms, the Group provides advanced intelligent driving solutions to customers through efficient integration of software and hardware. We have commercialized level 2 to level 2+ advanced driver assistance systems (level 2+ is not an official classification under SAE(1) standard) and are developing level 3 to level 4 autonomous driving solutions for automotive manufacturers. Our principal activities include (1) provision of advanced driver assistance solutions and products; (2) provision of autonomous driving-related R&D services; and (3) sales of printed circuit boards assembly (“PCBA”) products and other auxiliary materials.

During the Reporting Period, we delivered more than 289,000 advanced driver assistance solutions and products to our customers, representing an increase of 149.14% as compared to the same period last year. From 1 January 2020 to 30 June 2026, we delivered more than 1,123,000 advanced driver assistance solutions and products to our customers. During the Reporting Period, we recorded revenue of approximately RMB760.50 million, representing a period-over-period increase of 107.79%, and realized gross profit of RMB92.40 million, representing a period-on-period increase of 441.20%.

Advanced driver assistance solutions and products

During the Reporting Period, we generated most of our revenue from the sales of our advanced driver assistance solutions and products to OEMs, which included advanced driver assistance domain controllers and intelligent front camera products. We develop advanced driver assistance solutions and products for OEMs by leveraging core vertically integrated competencies in product design and development, algorithm and function development, system integration and manufacturing, etc. Our solutions and products for advanced driver assistance can be installed on both new energy vehicles (NEVs) and internal combustion engine (ICE) vehicles, and are capable of realizing a wide variety of advanced driver assistance functions.

During the Reporting Period, we generated revenue of approximately RMB664.14 million (corresponding period in 2025: RMB327.50 million) from the provision of advanced driver assistance solutions and products, representing an increase of 102.79% as compared to that for the corresponding period in 2025, accounting for approximately 87.33% of our total revenue during the Reporting Period. Among which, revenue from the sales of advanced driver assistance domain controllers amounted to approximately RMB547.36 million (corresponding period in 2025: RMB294.40 million), representing an increase of 85.92% as compared to that for the corresponding period in 2025. The increase was mainly attributable to advanced driver assistance domain controllers achieved a leap in mass production and delivery in multiple projects of OEMs, with sales volume representing an increase of 62.32% as compared to the same period in 2025. Revenue from the sales of intelligent front cameras amounted to approximately RMB116.78 million (corresponding period in 2025: RMB33.09 million), representing an increase of 252.92% as compared to that for the corresponding period in 2025, the increase of which was mainly attributable to intelligent front cameras achieved a leap in mass production and delivery in multiple projects of OEMs, with sales volume representing an increase of 283.87% as compared to the same period in 2025.

Autonomous driving-related R&D services

We continued to provide autonomous driving-related R&D services to OEMs. Our autonomous driving-related R&D services are primarily focused on three aspects: (1) the development software and hardware for advanced driver assistance; (2) the development of algorithms and functions for advanced driver assistance; and (3) functional safety consulting and validation. Our autonomous driving-related R&D services are primarily focused on two areas: (1) proof-of-concept projects: in these projects, OEMs engage us to conduct concept validation for new technology; leveraging our comprehensive R&D capabilities and utilizing advanced technology, we develop and provide prototypes to OEMs within a short time to conduct concept validation; and (2) R&D services in relation to the supply of our advanced driver assistance solutions: after receiving the letter of nomination, we start providing R&D services to customers, which primarily include R&D of hardware, software, algorithms and advanced driver assistance functions, as well as implementation, integration, verification and testing services.

During the Reporting Period, we recorded revenue from the autonomous driving-related R&D services of approximately RMB17.86 million (corresponding period in 2025: RMB25.79 million), representing approximately 2.35% of our total revenue in the Reporting Period. The decrease in revenue from autonomous driving-related R&D services for the Reporting Period as compared to that for the corresponding period in 2025 was primarily due to that the contract value of autonomous driving-related R&D services varies from project to project.

Sales of PCBA products and other auxiliary materials

During the Reporting Period, we continue to be engaged in manufacturing and sales of PCBA products to third parties. We mount different electronic components on the PCB, such as systems on chips (“SoCs”), resistors, capacitors, and transmitters to prepare fully usable PCBA based on our customers’ specifications. We are also engaged in sales of other auxiliary materials to third parties.

During the Reporting Period, we recorded revenue from the sale of PCBA products and other auxiliary materials of approximately RMB78.35 million (corresponding period in 2025: RMB12.71 million), accounting for approximately 10.30% of our total revenue in the Reporting Period. The increase in revenue from sales of PCBA products and other auxiliary materials for the Reporting Period as compared to that for the corresponding period in 2025 was primarily due to the increase in sales of auxiliary materials.

Project Acquisition

During the Reporting Period, we obtained a total of 37 nominated projects from well-known OEM customers including, among others, Chery, GAC, Leapmotor, Geely Auto and Dongfeng Motor, representing an increase of 94.74% compared with the corresponding period last year. In particular, we have entered the supply chains of a state-owned enterprise OEM in Northern China, a client in Taiwan District, and an overseas direct-supply client for the first time, achieving a breakthrough in our customer coverage successfully. Most of those vehicle models will be put into production in 2026 and 2027, which will help us consolidate our commercial advantages and capture a larger market share.

R&D Progress

During the Reporting Period, our products and algorithms underwent rapid iteration. In terms of products, our advance driving assistance domain controller iDC310 based on the Horizon Journey® 6B platform has successfully entered mass production phase and been installed in vehicles. This product deploys an efficient sparse 4D Transformer end-to-end perception architecture and an interactive game theoretic model. In addition to supporting basic driving functions, it also offers comfort oriented features such as traffic light assistance and in-lane and cross-lane obstacle avoidance. Meanwhile, its 5V BEV three-in-one perception model, combined with a full hybrid A-star planning algorithm, endows the system with human-like parking path planning capabilities and strong scenario generalization, covering advanced parking scenarios including cross-aisle parking and reverse parallel parking. In addition, our iDC510 Pro advance driving assistance domain controller based on the Horizon Journey® 6M platform has also successfully achieved mass production and vehicle installation, with the first vehicle model equipped with this domain controller officially launched in March 2026. Furthermore, our iDC700 domain controller for Level 4 autonomous driving has successfully completed mass production deliveries and the first batch of unmanned logistics vehicles equipped with this controller has been put into road operations. We have now established a comprehensive domain controller product portfolio spanning from entry-level to high-performance and up to Level 4, covering diverse scenarios including passenger car driving and parking, commercial vehicles, and unmanned logistics vehicles, and have achieved comprehensive breakthroughs in mass production at scale.

In terms of algorithms and models, our self-developed iMotion large model officially completed the filing for generative AI service in Jiangsu Province in May 2026. Based on an open-source large foundation model, this model possesses capabilities in environmental perception, semantic understanding, route planning and intelligent decision-making for complex urban roads, highways and parking lot environments. It can be applied to the development of in-vehicle intelligent driving systems, simulation test platforms, as well as the optimisation and validation of intelligent mobility service solutions.

Progress in Embodied Intelligence

During the Reporting Period, we accelerated the product development and iteration in the field of embodied intelligence business. Our subsidiary, One Square Meter Power (Suzhou) Co., Ltd. (“**One Square Meter Power**”), focuses on the full-chain in-house R&D and production of core joint components for robotics. Its portfolio of integrated joint modules offers significant competitive advantages in lightweight design and cost efficiency. Leveraging the software, hardware and algorithmic strengths of the Group, One Square Meter Power, in collaboration with the Group, jointly launched a new generation automatic charging robot for new energy vehicles, which has now entered the real scenario testing phase.

Leveraging the technical capabilities and mass production experience that we have accumulated in the advanced driving assistance domain controller business, we accelerated the expansion of our embodied intelligence main controller business during the Reporting Period. Our AI BOX product iRC100P, designed for general robotic scenarios, has achieved mass production and commercial deliveries. In addition, during the Reporting Period, we launched a new-generation product – the iRC600. Built on a domestic high-computing-power chip platform, the iRC600 delivers a substantial increase in computing performance compared with the iRC100P, enabling on-device deployment of large models and providing integrated hardware-and-software support for embodied intelligence applications at the edge. The product has now entered the adaptation stage with several leading domestic robotics companies.

Overseas Layout

During the Reporting Period, we actively advanced our overseas expansion. In February 2026, we established a business unit in Japan, which will focus on penetrating the Japanese market for our intelligent driving and embodied intelligence businesses and deepening customer relationships. This will enable us to continuously strengthen strategic collaboration with Japanese clients and enhance our localized delivery capabilities, thereby supporting our global expansion strategy. Our joint venture in Malaysia has completed trial production and is currently undergoing the final customer audit process. It is expected to commence full-scale production and mass deliveries to customers in the third quarter of 2026.

III. FINANCIAL REVIEW

Revenue

Revenue for the Reporting Period was RMB760.50 million, representing an increase of RMB394.50 million or 107.79% as compared to that for the corresponding period in 2025. The increase in revenue was mainly due to that advanced driver assistance solutions and products achieved a leap in mass production and delivery in multiple projects of OEMs, with sales volume increasing by 62.32% as compared to the same period in 2025. Especially, the sales volume from the self-developed iDC series products advanced driving assistance domain controller and intelligent front cameras represented an increase of 160.36% as compared to the same period in 2025. Among which, revenue from sales of advanced driver assistance solutions and products was RMB664.14 million, representing an increase of RMB336.64 million or 102.79% as compared to that for the corresponding period in 2025; revenue from rendering of autonomous driving-related R&D services was RMB17.86 million, representing a decrease of RMB7.93 million or 30.75% as compared to that for the corresponding period in 2025; and revenue from sales of PCBA products and other auxiliary materials was RMB78.35 million, representing an increase of RMB65.64 million or 516.56% as compared to that for the corresponding period in 2025; revenue from other item was RMB0.15 million.

A substantial portion of the revenue of the Group was generated from sales of advanced driver assistance solutions and products, accounting for 87.33% of its revenue for the Reporting Period (corresponding period in 2025: 89.48%). In addition, revenue generated from rendering of autonomous driving-related R&D services accounted for 2.35% of its revenue for the Reporting Period (corresponding period in 2025: 7.05%), and revenue from sales of PCBA products and other auxiliary materials accounted for 10.30% of its revenue for the Reporting Period (corresponding period in 2025: 3.47%); and revenue from other item accounted for 0.02% of its revenue. Revenue of the Group was mainly derived from our operations in the PRC.

The following table sets forth a breakdown of the Group's revenue and relevant information for the Reporting Period:

	For the six months ended June 30, 2026		2025	
	Amount (RMB'000) (Unaudited)	Percentage of total revenue	Amount (RMB'000) (Unaudited)	Percentage of total revenue
Advanced driver assistance solutions and products				
– AD domain controller solutions	547,364	71.97 %	294,402	80.44 %
– Intelligent front cameras	116,776	15.35 %	33,093	9.04 %
Subtotal	664,140	87.33 %	327,495	89.48 %
Autonomous driving-related R&D services	17,860	2.35 %	25,790	7.05 %
Sales of PCBA products and other auxiliary materials	78,353	10.30 %	12,708	3.47 %
Other item	142	0.02 %	–	–
Total	760,495	100.00 %	365,993	100.00 %

Cost of Sales and Services

Cost of sales and services for the Reporting Period was RMB668.09 million, representing an increase of RMB319.17 million or 91.47% as compared to that for the corresponding period in 2025, which was mainly due to that cost of sales increased in line with the increased in revenue in the first half of 2026. Among which, cost of sales of advanced driver assistance solutions and products for the Reporting Period was RMB614.91 million, representing an increase of RMB294.65 million or 92.00% as compared to that for the corresponding period in 2025; cost of rendering of autonomous driving-related R&D services was RMB18.28 million, representing a decrease of RMB2.2 million or 10.74% as compared to that for the corresponding period in 2025; and cost of sales of PCBA products and other auxiliary materials was RMB34.63 million, representing an increase of RMB26.45 million or 323.35% as compared to that for the corresponding period in 2025; and cost from other item was RMB0.27 million.

Gross Profit and Gross Profit Margin

Gross profit for the Reporting Period was RMB92.40 million, representing an increase of RMB75.33 million or 441.20% as compared to that for the corresponding period in 2025. Of which, gross profit of sales of advanced driver assistance solutions and products for the Reporting Period was RMB49.23 million, representing an increase of RMB41.99 million or 579.97% as compared to that for the corresponding period in 2025; gross loss of rendering of autonomous driving-related R&D services was RMB-0.42 million, representing a decrease of RMB5.73 million or 107.91% as compared to that for the corresponding period in 2025; and gross profit of sales of PCBA products and other auxiliary materials was RMB43.72 million, compared to a gross profit of RMB4.52 million for the corresponding period in 2025; and gross loss of other item was RMB-0.13 million.

Gross profit margin for the Reporting Period was 12.15% (corresponding period in 2025: 4.67%). Due to the revenue of advanced driver assistance solutions and products have seen a significant increase as well as the large-scale mass production of different projects, the economies of scale are gradually emerging, leading to a significant improvement in the gross profit margin.

Other Income

Other income primarily consists of government subsidies for the Group's R&D expenditures and manufacturing bases and VAT additional deduction. Other income for the Reporting Period amounted to RMB17.54 million, representing an increase of 504.03% as compared with RMB2.90 million for the corresponding period in 2025. The increase was mainly due to the increase in VAT additional deduction. During the Reporting Period, the Group became eligible for the VAT additional deduction policy, which contributed RMB15.42 million to other income.

Other Gains/(Losses) – Net

Net other gains/losses primarily consist of (i) net fair value losses or gains on financial assets at fair value through profit or loss (“FVTPL”) in relation to losses or gains from our wealth management; (ii) net foreign exchange losses or gains; (iii) net gains or losses on disposals of property, plant and equipment and intangible assets; and (iv) others. Net other gains for the Reporting Period amounted to RMB1.52 million, representing an increase of RMB3.97 million as compared with net other losses RMB2.44 million for the corresponding period in 2025. The increase was mainly due to an increase in investment income from wealth management products and a decrease in foreign exchange losses..

Selling Expenses

Selling expenses for the Reporting Period amounted to RMB7.10 million, representing a decrease of 32.16% as compared with RMB10.47 million for the corresponding period in 2025. The decrease was mainly attributable to a decrease in the after-sales warranty and business promotion expense. As a percentage of revenue, the selling expenses decreased from 2.86% for corresponding period in 2025 to 0.93% for the Reporting Period, down by 1.93 percentage point.

Administrative Expenses

Administrative expenses for the Reporting Period amounted to RMB40.99 million, representing an increase of 30.68% as compared with RMB31.37 million for the corresponding period in 2025. The increase was mainly attributable to intelligent upgrades and expansion of high-level talent to support business development and enhance management efficiency. As a percentage of revenue, the administrative expenses decreased from 8.57% for corresponding period in 2025 to 5.39% for the Reporting Period, down by 3.18 percentage point.

Research and Development Expenses

Research and development expenses for the Reporting Period amounted to RMB98.26 million, representing a decrease of 37.23% as compared with RMB156.53 million for the corresponding period in 2025. The decrease was mainly attributable to continuous optimisation of R&D manpower input and enhanced external technical development expenses control. As a percentage of revenue, the research and development expense decreased from 42.77% for corresponding period in 2025 to 12.92% for the Reporting Period, down by 29.85 percentage point.

Finance Income

Finance income primarily consists of interest income on cash at bank. Finance income for the Reporting Period amounted to RMB2.40 million, representing a decrease of RMB3.82 million as compared with RMB6.22 million for the corresponding period in 2025. The decrease was mainly attributable to a decrease in interest income on cash at banks.

Finance Costs

Finance costs for the Reporting Period amounted to RMB7.46 million, representing an increase of RMB5.63 million as compared with RMB1.84 million for the corresponding period in 2025. The increase was mainly attributable to an increase in the interest on bank loans and other borrowings.

Loss for the Reporting Period

As a result of the foregoing, loss for the Reporting Period amounted to RMB53.75 million, representing a decrease of 69.79% as compared with a loss of RMB177.95 million for the corresponding period in 2025.

Loss for the Reporting Period Attributable to the Equity Shareholders of the Company

For the Reporting Period, loss for the period attributable to equity shareholders of the Company amounted to RMB53.01 million, representing a decrease of 70.21% as compared with RMB177.95 million for the corresponding period in 2025.

IV. LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

For the Reporting Period, the Group's net cash outflow used in operating activities was RMB238.3 million, as compared with RMB97.51 million of its net cash outflow used in operating activities for the corresponding period in 2025. The increase in net cash outflow of operating activities was mainly attributable to the inventory build up to support sales growth and respond to market demand, resulting in higher procurement expenditures.

For the Reporting Period, the Group's net cash inflow of investing activities was RMB63.96 million, as compared with RMB65.71 million of its net cash inflow used in investing activities for the corresponding period in 2025.

For the Reporting Period, the Group's net cash inflow generated from financing activities was RMB184.84 million, as compared with RMB230.08 million of its net cash inflow generated from financing activities for the corresponding period in 2025. The decrease in net cash inflow generated from financing activities was mainly attributable to the higher net cash inflow generated from the completion of the 2025 February Placing in the first half of 2025.

Net Current Assets

As at June 30, 2026, the Group's net current assets amounted to RMB641.36 million, as compared to its net current assets of RMB609.85 million as at December 31, 2025.

Inventories

The Group's inventories consist of (i) raw materials; (ii) work in progress; and (iii) finished goods. As at June 30, 2026, the Group's inventories amounted to RMB383.79 million, representing an increase of 31.64% as compared with RMB291.54 million as at December 31, 2025. The increase in the inventories amount was mainly due to the increase of raw materials, work in progress and finished goods to support future sales expansion.

In the first half of 2026, the Group's average inventory turnover days (the average inventory turnover days are calculated by dividing the average of opening and ending balance of inventories by cost of sales for that year and multiplying by 180 days.) were 91 days, representing a decrease as compared with 149 days in 2025, which was mainly attributable to the improvement in inventory management efficiency.

Borrowings

As at June 30, 2026, the Group's borrowings were RMB685.19 million, representing an increase of 43.26% as compared with RMB478.29 million as at December 31, 2025. All the Group's bank loans and other borrowings are denominated in Renminbi.

The following table sets forth the Group's bank borrowings and other loans as at the dates indicated:

	As at	
	June 30, 2026	December 31, 2025
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Borrowings included in non-current liabilities:		
<i>Secured</i>		
Bank borrowings	285,951	240,614
<i>Unsecured</i>		
Bank borrowings	125,000	58,000
	410,951	298,614
Borrowings included in current liabilities:		
<i>Secured</i>		
Bank borrowings	40,930	33,422
<i>Unsecured</i>		
Bank borrowings	84,000	82,000
Bills payable	20,000	–
Other loans	129,000	64,000
Interest payables	307	258
	274,237	179,680
Total borrowings	685,188	478,294

Gearing Ratio

Gearing ratios, which is calculated as total borrowings divided by total equity of the Group, are 85.37% and 40.37% as at June 30, 2026 and June 30, 2025, respectively.

Pledge of Assets

The Group has pledged its land use rights and buildings with carrying amounts of approximately RMB375.55 million to bank as the security for the long-term bank borrowings of RMB326.88 million as at June 30, 2026.

Capital Expenditures and Investment

The Group's capital expenditures comprise primarily expenditures on land use rights, property, plant and equipment and intangible assets. During the Reporting Period, the Group's total capital expenditures were RMB89.98 million, representing a decrease of 27.69% as compared with RMB124.43 million for the corresponding period in 2025. The decrease was mainly due to the higher payments for the construction of the new factory and the purchase of equipment during the first half of 2025.

Treasury Policies and Exposure to Fluctuation in Exchange Rates

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The Group's businesses are principally conducted in RMB. The majority of assets are denominated in RMB. The majority of non-RMB assets and liabilities are cash and cash equivalents, trade receivables and trade payables denominated in HKD, USD and EUR. The Group is subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities which are denominated in non-RMB and net investment in foreign operations.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. Cash repatriation from the PRC are subject to the rules and regulations of foreign exchange control promulgated by the PRC government. Additionally, the Group enters into foreign exchange options contract to mitigate the foreign exchange risk. The Group did not have other significant exposure to foreign exchange risk.

Contingent Liabilities

As at June 30, 2026, the Group did not have any material contingent liabilities.

Staff Cost and Employee Remuneration Policy

As at June 30, 2026, the Group had 553 employees (as at June 30, 2025: 559 employees). Staff cost of the Group increased by 9.40% from RMB127.07 million for the corresponding period in 2025 to RMB139.02 million for the Reporting Period, which was mainly attributable to the increase in labor costs of production, management and R&D teams in connection with the continuous expansion of the Group's business scale and the simultaneous mass production and delivery of multiple projects.

We are committed to establishing a competitive and fair remuneration. In order to effectively motivate our employees, we continually refine our remuneration and incentive policies through market research. We conduct annual performance evaluation for our employees to provide feedback on their performance. Compensation for our staff typically consists of base salary and a performance-based bonus. Certain equity incentive schemes were also established for the benefit of our Directors, supervisors, senior management and core employees as remuneration for their services provided to us and to incentivize and reward the eligible persons who have contributed to the success of our Company.

V. SIGNIFICANT INVESTMENTS

As at June 30, 2026, the Group did not have any significant investments.

VI. MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

VII. FUTURE STRATEGY AND PROSPECTS

The year 2026 is regarded as a pivotal year for the intelligent driving assistance industry in its transition from “large-scale adoption” to a focus on “quality and efficiency”. As consumer awareness and acceptance of intelligent driving functions continue to rise, demand for these capabilities is growing, and intelligent driving capabilities have become a key factor in vehicle purchasing decisions. The “democratization of intelligent driving” is accelerating, with advanced driver assistance functions such as highway NOA and urban NOA rapidly penetrating from high-end models down to the mainstream price range of RMB100,000 to RMB200,000. It is anticipated that the penetration rate of NOA functions will increase significantly in 2026. At the same time, both national policies and regulations as well as consumers are placing greater emphasis on the safety of intelligent driving, imposing higher technical requirements on the technology. Consequently, the reliability and cost-effectiveness of solutions have become particularly critical in supplier selection for passenger vehicles in the mainstream price segment. We have deployed high safety and cost-effective solutions across different chip platforms, ranging from low-to-mid, mid, and mid-to-high computing power, to meet the diverse needs of various automakers and vehicle models.

China’s leading edge in the fields of automotive electrification and intelligent technologies is translating into strong momentum for global expansion. In the first half of 2026, China’s automobile exports reached 5.096 million units, representing a period-on-period increase of 65.3% and setting a record high for the corresponding period. The growing brand recognition and influence of domestic OEMs in overseas markets have driven increased demand for advanced driver-assistance systems in regions such as Europe and Southeast Asia. At the same time, compared with overseas competitors, Chinese solutions offer a more pronounced cost-performance advantage in terms of both cost and delivery efficiency. The combination of these two favorable factors presents valuable opportunities for Chinese intelligent driving suppliers to expand globally.

In the first half of 2026, the embodied intelligence industry has been accelerating its transition from the stage of technical validation towards a critical phase of large scale commercial deployment and closed-loop commercial realization. In terms of policy and industry standards, “the *Humanoid Robot and Embodied Intelligence Standard System (2026 Edition)*” (《人形機器人和具身智能標準體系(2026 版)》) and a series of industry standards were successively introduced, while the MIIT, together with other authorities, launched a special action programme for real-scenario practical training. In terms of technology, the focus of technological competition has shifted from the hardware to intelligent decision-making systems centred on the VLA model, with simulation-to-reality (Sim-to-Real) technology accelerating engineering implementation; dexterous hands, force sensing and whole-body coordinated control have become key areas of research and development. In terms of practical application, leading robotics companies have successively achieved mass production and delivery on a scale of tens of thousands of units; scenarios such as industrial sorting, logistics handling and public guided services have taken the lead in commercial deployment, while costs and prices of consumer-grade embodied products continue to trend downwards.

Continue to pioneer the large-scale commercialization of intelligent driving solutions and products

We will continuously optimize and refine our existing product lines, and expand our in-house manufacturing capacity to reinforce our business expansion; and provide more cost-effective solutions and products to our customers through technological advancement and supply chain optimization. Our 5G smart manufacturing base officially commenced operations in September 2025. With the integration of the newly implemented systems, applications and products (SAP) and manufacturing execution system (MES), it supports rapid changeovers across different customers and product platforms and greatly enhances the digitalization of our supply chain and manufacturing processes, significantly enhancing production efficiency and quality. In the second half of 2026, we will continue to expand our production capacity to meet our customers' growing demand for mass production and delivery, whilst further strengthening our localized delivery capabilities overseas.

Sustain R&D investment to solidify our leading position

The Company focuses on delivering large-scale commercial intelligent driving solutions to the market. At present, we have independently developed core algorithms, middleware and cloud platforms. Moving forward, we will continue to optimize our software, enhance technical barriers and cost-effectiveness of our solutions, and continuously improve the core competitiveness of our products. In terms of algorithms, in order to develop safer, more generalizable, and human-aligned autonomous driving algorithms, we will strengthen the deployment of one-stage end-to-end and VLA large model, while introducing a World Model as the foundation for physical AI. By predicting and simulating the operational laws of the physical world, it will endow the system with safety boundaries that transcend human experience and the capability for autonomous evolution. In terms of data, we will continuously refine the full-link data closed-loop system. Leveraging the World Model, we will achieve efficient synthesis and validation of extreme corner cases, promote the dual drive of real and synthetic data, and further strengthen our data mining capabilities and data value extraction, thereby shortening R&D cycles. We will persistently refine our self-developed software middleware to make it more automatic and programmatic, ensuring compatibility with diverse computing platforms while improving operational resource efficiency. In terms of computing platforms, we will strengthen collaboration with Horizon Robotics to accelerate the mass production of products and solutions based on the Journey 6 platform. Meanwhile, we will collaborate with our partners to build integrated cockpit-driving platform and vehicle central computing platform.

Continue to deepen, expand, and diversify our OEM customer base

We will strengthen our cooperation with existing customers and strive to expand our products and solutions to more vehicle models. Meanwhile, we will continue to grow our sales and marketing teams to achieve breakthroughs with key overseas customers. In addition, we will collaborate with our strategic partners to broaden our OEM customer base.

Enhance our value chain integration capabilities

We will continue to collaborate with existing international first-class SoC suppliers, and actively promote the R&D and commercialization of products and solutions of Horizon Journey system chips based on our strategic cooperation with Horizon Robotics. We aim to deepen our cooperation with sensor suppliers to develop modular solutions to shorten the development cycle and improve the adaptability of our solutions. In addition, we plan to strengthen our vertical integration capabilities by investing in or acquiring quality companies that can create synergies.

Build an international brand with a global presence

We will adhere to our overseas expansion strategy by serving Chinese OEMs' overseas business on the one hand, and actively developing international customers on the other. Based on our established presence, our products and solutions have followed our customers to be deployed across regions and countries including Europe, the Middle East, Southeast Asia, South Korea and Japan. This has enabled us to accumulate extensive on-the-ground experience in overseas applications and develop strong localized service capabilities. In the first half of 2026, we established a business unit in Japan, with a emphasis on advancing the development of our local service infrastructure in Japan, and we plan to continue strengthening our global sales and service network. Through our overseas business units and production bases, technical adaptation, ecosystem collaboration, and data compliance capabilities, we aim to accelerate our integration into the direct supply chains of international automakers. In addition, we will leverage the resources provided by our strategic overseas shareholders to explore new international business opportunities and establish more international strategic alliances.

Actively explore more diversified business models

Our current solutions focus primarily on intelligent driving of passenger vehicles. In addition, there are also broad application prospects for autonomous driving solutions in specialized scenarios such as public transportation, freight logistics, agricultural machinery, industry and warehousing, mines and ports, which can help improve transportation efficiency, reduce injuries and lower costs. In the first half of 2026, we mass produced and delivered our first batch autonomous driving domain controllers for unmanned logistics vehicles. Taking this as a starting point, we will accelerate the mass production and commercial deployment of our products in low-speed Level 4 scenarios, including unmanned logistics vehicles and unmanned sweeper vehicles.

Continue to focus on the field of embodied intelligence

We will continue to deepen our presence in the embodied intelligence sector, and accelerate the transition from technology R&D to industrial application by focusing on four key strategic pillars: mass production and commercial deployment, computing power infrastructure as a foundation, algorithm migration, and ecosystem integration.

Accelerate mass production of charging robot products to seize a first mover advantage in the market

We will leverage charging robots as a strategic entry point to expedite the transition of our products from engineering prototypes to mass production at scale. By optimizing production processes, enhancing our supply chain system and establishing standardized testing procedures, we will ensure that our products meet mass production requirements in terms of reliability, safety and cost control. At the same time, we will actively expand collaborations with new energy vehicle manufacturers, charging operators and commercial property developers, building a “product + service” business model, with the aim of being the pioneers in achieving a closed-loop commercial model within the high-growth niche market of automated charging.

Enhance and expand the on-device computing infrastructure for embodied intelligence to reinforce the technology foundation

The development of embodied intelligence relies on efficient, low-power on-device computing foundation. We will continue to invest R&D resources to refine our on-device computing platform tailored for robotic scenarios, enhancing computing density and energy efficiency to meet the demands of complex perception, real time decision making and concurrent multi task processing. At the same time, we will expand our computing infrastructure product portfolio to cover various levels ranging from edge computing to high-level intelligence, providing flexible and scalable hardware support for a wide range of robotic applications, thereby building the core infrastructure for the embodied intelligence era.

Drive the migration of intelligent driving algorithms to mobile robotics scenarios to unlock synergistic value across technologies

We systematically transfer our core intelligent driving algorithm capabilities to various mobile robotic platforms, including but not limited to delivery robots, inspection robots, cleaning robots and specialized task robots. Through modular and platform-based algorithm design, we will achieve “one time development, multi scenario adaptation”, significantly reducing R&D lead times and costs in new scenarios. This approach will fully leverage the synergies of technology reuse and broaden the boundaries and potential of our business.

Integrate the automotive grade sensor supply chain to build a full stack solution of “infrastructure + sensors + algorithms”

Leveraging our years of accumulated supply chain resources and quality management system in the automotive electronics sector, we will deeply integrate automotive-grade sensors (such as LiDAR, millimetre-wave radar, cameras and Inertial Measurement Units (IMUs)) with our proprietary on-device computing infrastructure and migrated and optimized intelligent algorithms to create a comprehensive solution covering hardware, perception and decision making. This solution will not only enhance the perception accuracy and operational reliability of robots in complex environments, but also provide customers with one-stop, highly integrated product delivery capabilities, significantly strengthening our bargaining power and competitive barriers in the embodied intelligence industry chain.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting high standards of corporate governance, to safeguard the interests of the shareholders of the Company (the “**Shareholders**”) and to enhance corporate value and accountability. The Company has complied with all applicable code provisions under the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities (“**Listing Rules**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as the basis for its corporate governance practices during the Reporting Period, except for code provision C.2.1 described below. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Mr. SONG Yang is currently both the chief executive officer of the Company and the chairman of the Board. Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be segregated and should not be performed by the same individual. The Board believes that vesting the roles of both chief executive officer and chairman of the Board in the same person has the benefit of ensuring consistent leadership and efficient discharge of executive functions within the Group. The Group considers that the balance of power and authority of the present arrangement will not be impaired as the Board comprises five other experienced and high-calibre individuals including another two executive Directors and three independent non-executive Directors who would be able to offer advice from various perspectives. In addition, for major decisions of the Group, the Board will make consultations with appropriate Board committees and senior management. Therefore, the Directors consider that the present arrangement is beneficial to and in the interest of the Company and the Shareholders as a whole and the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ and supervisors’ securities transactions. After making specific enquiries to all the Directors and supervisors, each of them has confirmed that they have complied with the Model Code during the Reporting Period.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Reporting Period (corresponding period in 2025: Nil).

USE OF PROCEEDS FROM PLACINGS OF NEW H SHARES UNDER 2024 PLACING, 2025 FEBRUARY PLACING AND 2025 JULY PLACING

2024 Placing

The net proceeds raised by the Company from placing of new H Shares under general mandate on December 2, 2024 (after deducting all fees, costs and expenses incurred by the Company in connection with the placing including the commission and levies) amount to approximately HK\$73.28 million (the “**2024 Placing**”).

The following table sets forth the Company’s use of the proceeds from the 2024 Placing as at June 30, 2026:

	Approximate percentage of the total net proceeds	Net proceeds from the 2024 Placing (HKD’ million)	Unutilized net proceeds as of January 1, 2026 (HKD’ million)	Actual use of proceeds during the Reporting Period (HKD’ million)	Unutilized net proceeds as of June 30, 2026 (HKD’ million)	Expected time to utilize the remaining net proceeds in full
Enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products	40.0%	29.30	–	–	–	Fully utilized
Capital expenditure in relation to enhancing the R&D and manufacturing facilities	20.0%	14.66	–	–	–	Fully utilized
Expanding the overseas sales and service network	20.0%	14.66	9.86	9.86	–	Fully utilized
Working capital and general corporate purposes	20.0%	14.66	–	–	–	Fully utilized
Total (Note)	100.0%	73.28	9.86	9.86	–	

Note: Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

As at June 30, 2026, all net proceeds from the 2024 Placing had been fully utilized in accordance with the intended purposes and the same portion as stated in the Company’s announcement dated December 2, 2024.

2025 February Placing

The net proceeds raised by the Company from placing of new H Shares under general mandate on February 17, 2025 (after deducting all fees, costs and expenses incurred by the Company in connection with the placing including the commission and levies) amount to approximately HK\$228.37 million (the “**2025 February Placing**”).

The following table sets forth the Company's use of the proceeds from the 2025 February Placing as at June 30, 2026:

	Approximate percentage of the total net proceeds	Net proceeds from the 2025 February Placing (HKD' million)	Unutilized net proceeds as of January 1, 2026 (HKD' million)	Actual use of proceeds during the Reporting Period (HKD' million)	Unutilized net proceeds as of June 30, 2026 (HKD' million)	Expected time to utilize the remaining net proceeds in full
Enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products	60.0%	137.02	–	–	–	Fully utilized
Capital expenditure in relation to enhancing the R&D and manufacturing facilities	10.0%	22.84	–	–	–	Fully utilized
Expanding the overseas sales and service network	5.0%	11.42	11.42	–	11.42	By the end of the year 2026
Working capital and general corporate purposes	25.0%	57.09	–	–	–	Fully utilized
Total (Note)	100.0%	228.37	11.42	–	11.42	

Note: Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

As at June 30, 2026, the unutilized net proceeds from the 2025 February Placing amounted to approximately HK\$11.42 million, and the Group will utilize the net proceeds in accordance with the intended purposes and the same portion as stated in the Company's announcement dated February 17, 2025. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently, and will be subject to change based on future development of market conditions and actual business needs. Should there be any change in the intended use of the unutilized net proceeds, the Company will make appropriate announcement(s) in due course.

2025 July Placing

The net proceeds raised by the Company from placing of new H Shares under general mandate on July 21, 2025 (after deducting all fees, costs and expenses incurred by the Company in connection with the placing including the commission and levies) amount to approximately HK\$230.7 million (the "2025 July Placing").

The following table sets forth the Company's use of the proceeds from the 2025 July Placing as at June 30, 2026:

	Approximate percentage of the total net proceeds	Net proceeds from the 2025 July Placing (HKD' million)	Unutilized net proceeds as of January 1, 2026 (HKD' million)	Actual use of proceeds during the Reporting Period (HKD' million)	Unutilized net proceeds as of June 30, 2026 (HKD' million)	Expected time to utilize the remaining net proceeds in full
Enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products	50.0%	115.35	40.35	40.35	–	Fully utilized
Capital expenditure in relation to enhancing the R&D and manufacturing facilities	10.0%	23.07	–	–	–	Fully utilized
R&D, mergers and acquisitions of the Company's robotics business	15.0%	34.61	18.48	8.35	10.13	By the end of the year 2026
Working capital and general corporate purposes	25.0%	57.68	–	–	–	Fully utilized
Total (Note)	100.0%	230.70	58.83	48.70	10.13	

Note: Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

As at June 30, 2026, the unutilized net proceeds from the 2025 July Placing amounted to approximately HK\$10.13 million, and the Group will utilize the net proceeds in accordance with the intended purposes and the same portion as stated in the Company's announcement dated July 13, 2025. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently, and will be subject to change based on future development of market conditions and actual business needs. Should there be any change in the intended use of the unutilized net proceeds, the Company will make appropriate announcement(s) in due course.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the Reporting Period, the Company repurchased a total of 3,631,700 H Shares on the Stock Exchange at an aggregate consideration of HK\$16,029,710.03. Details of the aforesaid repurchases are as follows:

Month of repurchase during the Reporting Period	Number of H Shares repurchased	Purchase price per H Share		Purchase price paid (excluding transaction fees) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January	103,300	6.8	5.97	663,168.99
February	397,800	6.52	5.22	2,332,320.00
April	100,700	3.71	3.56	365,074.02
May	2,700,700	5	3.46	11,336,304.00
June	329,200	4.48	3.76	1,332,843.02
	3,631,700			16,029,710.03

The 3,631,700 H Shares repurchased during the Reporting Period were held by the Company as treasury Shares. The Company may including but not limited to sell, transfer or otherwise dispose of (which include transfer pursuant to share schemes (if applicable) or as consideration in transactions) the treasury Shares in the light of market conditions and its capital management needs and subject to the compliance with the Listing Rules.

During the Reporting Period, the Company did not sell or transfer any treasury Shares. The Company will not exercise any Shareholders' right or receive any entitlement in respect of the aforesaid treasury Shares.

Save for the aforesaid, the Group did not purchase, sell or redeem any Share during the Reporting Period.

AUDIT COMMITTEE REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the unaudited consolidated financial statements and interim results of the Group for the six months ended June 30, 2026, and is of the view that the Group's unaudited consolidated interim results for the six months ended June 30, 2026 are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no material events after June 30, 2026 and up to the date of this announcement that would materially affect the Group's operating and financial performance.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.imotion.ai). The interim report of the Company for the six months ended June 30, 2026 containing all the information required by the Listing Rules will be despatched to the Shareholders requiring the printed copy and made available on the same websites in due course.

(2) PROPOSED ADOPTION OF THE 2026 H SHARE AWARD SCHEME AND PROPOSED AUTHORIZATION TO THE BOARD AND/OR AUTHORIZED PERSON(S) TO HANDLE MATTERS RELATING TO THE 2026 H SHARE AWARD SCHEME

On August 17, 2026, the Board approved a resolution regarding the proposed adoption of the 2026 H Share award scheme (the “**2026 H Share Award Scheme**”).

The 2026 H Share Award Scheme aims to (a) attract and retain eligible participants (the “**Eligible Participants**”) who make a significant contribution to the long-term growth and success of the Group, and to recognise and reward Eligible Participants for their past contributions to the Group; (b) to encourage Eligible Participants to make further contributions to the Company and to strive to enhance the value of the Company and its shares for the benefit of the Company and its shareholders as a whole; (c) to strengthen the Company’s long-term remuneration incentive strategy; and (d) to align the interests of Eligible Participants with those of the Company and its shareholders to drive the Group’s long-term performance (whether financial, business or operational).

To procure the implementation of the 2026 H Share Award Scheme, the Board has proposed that, subject to the approval of the 2026 H Share Award Scheme by the Shareholders at the extraordinary general meeting (the “**EGM**”) of the Company, the Shareholders also grant an authorization to the Board and/or its authorized person(s) to handle matters relating to the 2026 H Share Award Scheme with full authority.

The source of the award shares under the 2026 H Share Award Scheme will be: (i) new H shares allotted and issued by the Company; (ii) treasury shares transferred by the Company (if any); and/or (iii) H shares acquired by the trustee through purchasing existing shares (either on or off the market).

The 2026 H Share Award Scheme will constitute a share scheme involving the issuance of new shares by the Company under Chapter 17 of the Listing Rules. The provisions of the 2026 H Share Award Scheme will comply with Chapter 17 of the Listing Rules.

The adoption of the 2026 H Share Award Scheme is subject to (a) a special resolution passed by the Shareholders at the EGM to approve and adopt the 2026 H Share Award Scheme, and to authorize the Board to grant share awards to selected participants, as well as to allot, issue, and deal with shares to be issued by the Company in connection with the share awards granted under the 2026 H Share Award Scheme; and (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any H shares on the Stock Exchange to be issued and allotted pursuant to the share awards granted under the 2026 H Share Award Scheme.

A circular containing, among other things, (i) further details of the 2026 H Share Award Scheme; (ii) further details of the proposed authorization to the Board and/or authorized person(s) to handle matters relating to the 2026 H Share Award Scheme; and (iii) a notice convening the EGM and a form of proxy will be sent to the Shareholders upon request and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.imotion.ai) as soon as practicable.

Shareholders and potential investors are advised that as at the date of this announcement, the 2026 H Share Award Scheme is subject to the approval of the Shareholders. Therefore, Shareholders and potential investors are reminded to exercise caution when dealing in the shares.

By order of the Board
iMotion Automotive Technology (Suzhou) Co., Ltd.
SONG Yang
Chairman of the Board and Executive Director

Hong Kong, August 17, 2026

As of the date of this announcement, the Board comprises Mr. SONG Yang as chairman of the Board and executive Director; Mr. LU Yukun and Ms. LIU Fang as executive Directors; and Dr. ZHANG Weigong, Ms. XUE, Rui Shirley and Dr. SHAO Jun as independent non-executive Directors.