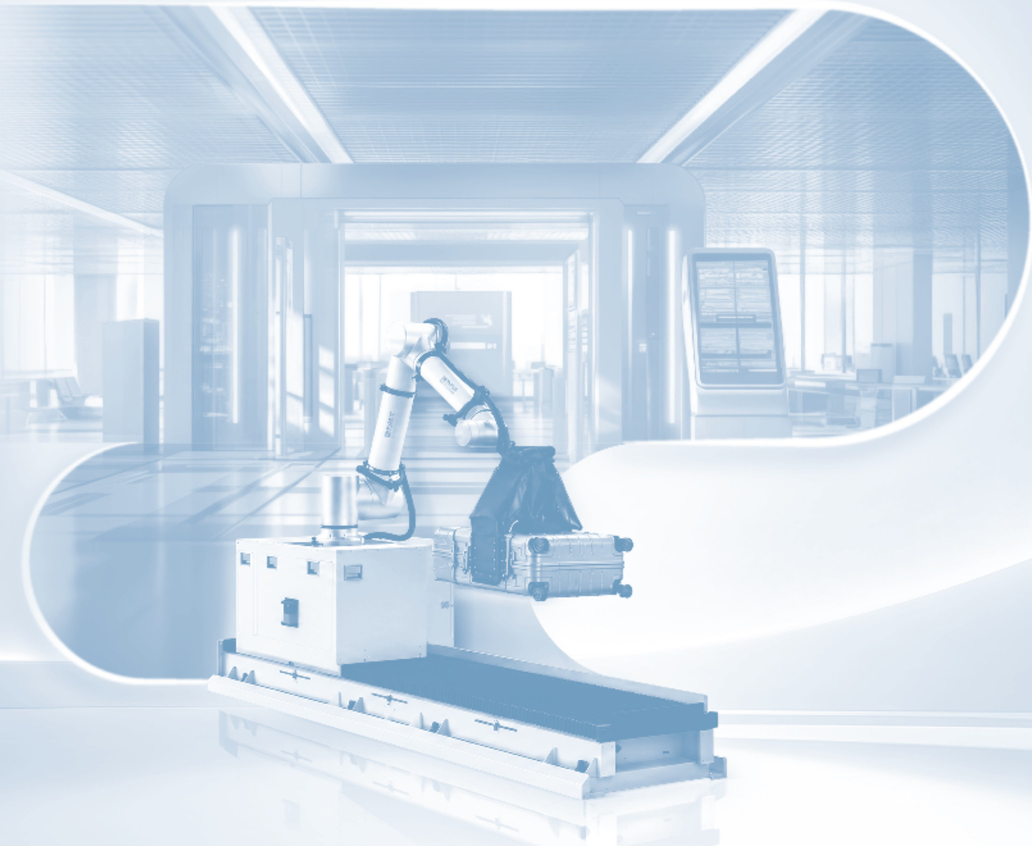
瑞为技术
RECONOVA

Reconova Technologies Co., Ltd.
廈門瑞為信息技術股份有限公司

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

Stock code : 7656

2026
INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS
Mr. Zhan Donghui (詹東暉)
Mr. Han Songguang (韓松光)

NON-EXECUTIVE DIRECTORS
Mr. Chen Gen (陳亘)
Ms. Li Jia (李佳)

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Sun Xiaobei (孫曉備)
Ms. Gu Wenbo (顧聞博)
Mr. Tang Ke (唐柯)

JOINT COMPANY SECRETARIES
Mr. Yu Jinxi (于金喜)
Ms. Lai Ho Yan (賴浩恩) *(ACG, HKACG)*

AUDIT COMMITTEE
Mr. Tang Ke (唐柯) *(Chairperson)*
Mr. Sun Xiaobei (孫曉備)
Ms. Gu Wenbo (顧聞博)

REMUNERATION COMMITTEE
Mr. Sun Xiaobei (孫曉備) *(Chairperson)*
Mr. Zhan Donghui (詹東暉)
Mr. Tang Ke (唐柯)

NOMINATION COMMITTEE
Mr. Zhan Donghui (詹東暉) *(Chairperson)*
Mr. Sun Xiaobei (孫曉備)
Ms. Gu Wenbo (顧聞博)

AUTHORISED REPRESENTATIVES
Mr. Zhan Donghui (詹東暉)
Ms. Lai Ho Yan (賴浩恩) *(ACG, HKACG)*

AUDITORS
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Certified Public Accountants
Registered Public Interest Entity Auditor
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As to PRC law:
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Bank of China
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Agricultural Bank of China
Xiamen Technology Park Branch
Heng Sheng Industrial Building
No. 182 Yuehua Road
Hu Li District, Xiamen, the PRC

CMBC
Xiamen Software Park Branch
Software Park II
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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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H SHARE REGISTRAR

Tricor Investor Services Limited
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16 Harcourt Road, Hong Kong

STOCK NAME

RECONOVA

STOCK CODE

7656

COMPANY'S WEBSITE

www.reconova.com

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(audited)
RESULTS		
Revenue	**102,104**	64,343
Cost of sales	**(75,365)**	(50,237)
Gross profit	**26,739**	14,106
Loss before income tax	**(64,083)**	(68,691)
Income tax expense	**—**	—
Loss for the period	**(64,083)**	(68,691)
Loss for the period attributable to owners of the Company	**(63,869)**	(68,604)
Basic/diluted loss per share (expressed in RMB per share)	**(0.23)**	(0.25)

	As of 30 June 2026	As of 31 December 2025
	RMB'000	RMB'000
	(unaudited)	(audited)
ASSETS AND LIABILITIES		
Total assets	**586,955**	681,849
Total liabilities	**538,667**	574,290
Total equity	**48,288**	107,559

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

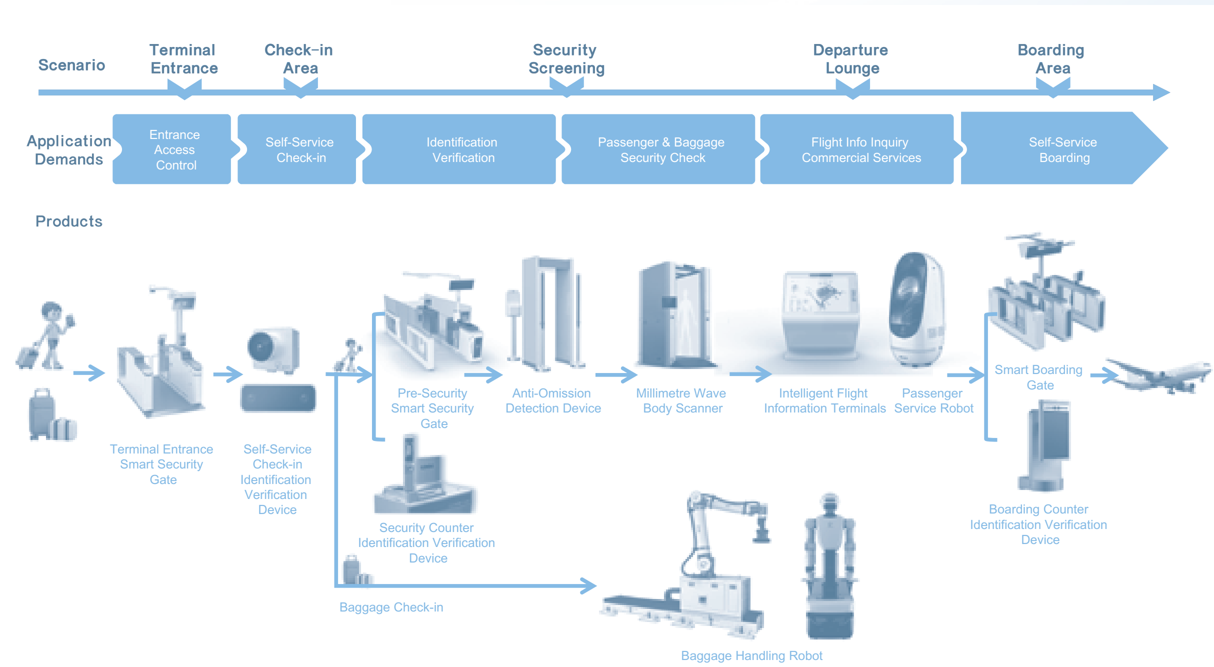
Reconova Technologies Co., Ltd. (the "**Company**") together with its subsidiaries, collectively referred to as the "**Group**" or "**we**", an artificial intelligent (the "**AI**") company that provides visual AI technologies and products for enterprise clients. Leveraging our self-developed vision large models, deep learning related technologies, multi-spectral imaging technologies, and software-hardware co-design capabilities, we offer a series of visual perception, visual cognition and visual reasoning intelligence products, which are broadly applied across different scenarios, including civil aviation, commercial spaces, and driving safety.

During the six months ended June 30, 2026 (the "**Reporting Period**"), the total revenue of the Group was approximately RMB102.1 million, representing an increase of approximately 58.7% as compared to the corresponding period of the previous year; the net loss was approximately RMB64.1 million, representing a year-over-year narrowing of net loss by approximately RMB4.6 million; the adjusted net loss was approximately RMB51.1 million, representing a year-over-year narrowing of adjusted net loss by approximately RMB5.2 million, with continuous decrease in operating loss; and the gross profit margin increased at approximately 4.3% as compared to the corresponding period of the previous year, demonstrating significant enhancement in operational efficiency.

Intelligent Civil Aviation Segment

Our intelligent civil aviation products cover automation and intelligent upgrades across key stages of full passenger service process in airports, including check-in, security screening, boarding, and passenger services, and further extend to baggage handling and perimeter security monitoring. By enabling more automated and intelligent operations, our products help enhance operational safety, optimise service workflows, and reduce reliance on manual labour. Leveraging AI vision and optical imaging technologies, these products support airports in improving operational efficiency and delivering smoother passenger experience, while maintaining high standards of safety and reliability.

Our main offerings include Tickway series of smart access control devices, WinGuard series of smart security screening equipment, MrRay series of passenger service robots, and AntOne series of baggage transfer robots, which focus on the three core values of high safety, high efficiency, and high passenger satisfaction in civil aviation.

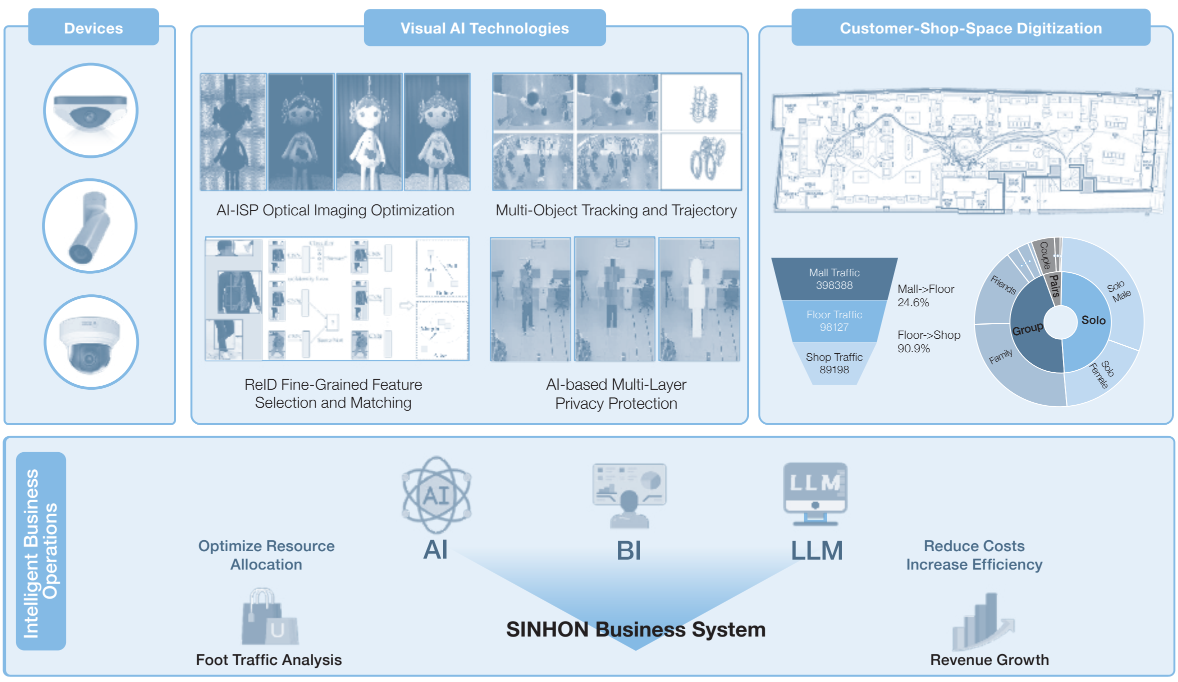


We are committed to the intelligent transformation in civil aviation as we strive to build a full-chain market leadership position. Leveraging our expertise in AI vision technologies, we have become a leading provider of intelligent equipment and systems for China's civil aviation industry. According to the Frost & Sullivan Report, we ranked first in enterprise visual AI product market for civil aviation in China, in terms of revenue in 2025, with a market share of 8.7%. The WinGuard Identity Verification Device pioneered China's first fully paperless, contactless airport access mode, capable of operating year-round in all lighting and weather conditions with zero safety incidents. Tickway Access Gates integrate advanced features such as visual tailgating prevention, impersonation detection, infant-in-arms recognition, wheelchair and stroller user identification, and early intervention for special needs passengers, enabling automated anomaly detection and proactive guidance for passengers requiring assistance.

In the first half of 2026, the Company's intelligent civil aviation segment achieved operating revenue of approximately RMB2.8 million, representing an increase of approximately 319.1% from approximately RMB0.7 million in the same period of the previous year, primarily attributable to enhanced customer cooperation stability and increased average customer value.

Intelligent Commerce Segment

Our intelligent commerce offerings are committed to driving digital transformation across the commercial and industrial sectors. Leveraging a triune technological foundation of "artificial intelligence (AI) + business intelligence (BI) + large language model (LLM)", our SINHON Business System standardises data formats to ensure data consistency across business systems, and enables data integration, cleansing, and analysis, as well as dynamically matches people, products, and spaces through AI algorithms to support precision marketing. The AI engine processes video data captured by front-end terminals and converts it into structured data that can be utilised by the BI engine enabling analytics and visualisation to provide timely, actionable insights and support the digital transformation of commercial operations.



In the commercial vertical, as of 2025, we ranked fourth in enterprise visual AI product market for commercial space in China by revenue, with a 1.7% market share. We serve 100 enterprise clients, including 20 of the Top 40 commercial real estate developers in China, with 30% of our clients having cooperated with us for over four years. Our system is deployed in landmark shopping malls and complexes in Beijing, Shanghai, Chongqing, Wuhan, Shenzhen operated by industry leaders. The system covers key aspects of retail and mall operations, including customer analytics, marketing and promotions, store leasing, facility management, and staff management, providing comprehensive support for both online and offline operations and helping to improve customer experience from store entry to purchase.

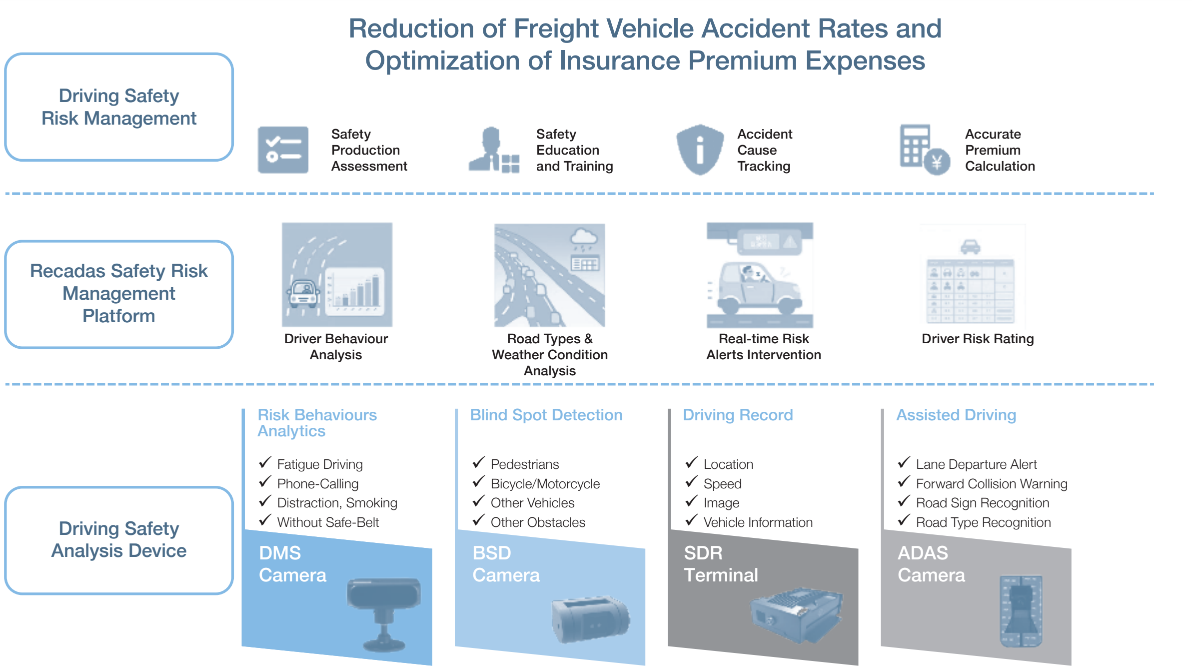
In the first half of 2026, the Company's intelligent commerce segment achieved operating revenue of approximately RMB33.6 million, representing an increase of approximately 95.5% from approximately RMB17.2 million in the same period of the previous year, primarily attributable to the Company's deep cultivation of the enterprise visual AI vertical track in commercial spaces, and the comprehensive and systematic development of a high-quality channel ecosystem. Through continuous deepening of channel ecosystem empowerment and upgrading of partner cooperation mechanisms, the Company achieved large-scale deployment of smart devices and solutions.

Intelligent Driving Safety Segment

We integrate visual analytics, Internet of Things (the "**IoT**"), and big data technologies to develop the Driving Safety Analysis Device and the Recadas Safety Risk Management Platform, with the aim of enhancing commercial vehicle transport safety, optimising operational efficiency, and supporting intelligent risk management. The Driving Safety Analysis Device collects and analyses real-time data, including vehicle location, driver behaviour, road types, weather, and traffic information through in-vehicle cameras. The Recadas Safety Risk Management Platform further processes this data using AI algorithms to comprehensively assess driving conditions and enable real-time risk evaluation, prediction, and early warning.

The Driving Safety Analysis Device is equipped with multiple cameras powered by advanced visual recognition technology, including a DMS camera that identifies the driver and detects risky behaviours such as fatigue driving, distraction, and mobile phone use, a BSD camera that provides early warnings of pedestrians or vehicles in blind spots, and an ADAS camera that issues real-time alerts for lane departures and potential collision risks. As at 30 June 2026, our Driving Safety Analysis Device had been installed in over 600,000 commercial vehicles.

Recadas Safety Risk Management Platform serves as the core of the safety risk management system. It integrates AI and IoT data, enabling real-time communication between drivers and safety managers and allowing for timely intervention when risk events occur. The platform integrates the proprietary RecoAware visual cognition engine to perform multi-frame reprocessing and reduce false alerts. It also embeds the RecoThink reasoning engine, which integrates multiple sources of data, such as alerts, road conditions, weather and trajectories, to construct automated risk models and generate driver risk scores, individual profiles and analytical reports. These outputs support targeted intervention, compliance management, and differentiated insurance pricing.



In the first half of 2026, the Company's intelligent driving safety segment achieved operating revenue of approximately RMB65.6 million, representing an increase of approximately 41.2% from approximately RMB46.5 million in the same period of the previous year, primarily attributable to the continuous expansion of market channels, with a significant increase in new customer order volume driving the expansion of sales scale.

II. OUTLOOK

Looking ahead, we will continue to leverage our full-stack visual embodied intelligence core technology system, steadily promoting the large-scale deployment of embodied robotics products from visual cognition to embodied execution. On the business, we will further enhance our competitive advantages in existing customer markets such as intelligent civil aviation and intelligent commerce, while actively expanding robotics application scenarios into the broader industrial sector, striving to become a leading provider of productivity robots in the industry.

Strategic Positioning and Development Direction

The H shares of the Company (the "**H Shares**") were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on July 8, 2026. On July 8, 2026, the Company allotted and issued 28,087,000 H Shares at an offer price of HK$21.66 per H Share. Standing at this new starting point following our listing, the Group will continue to increase research and development (the "**R&D**") investment, strengthen our R&D capabilities in visual intelligence technologies, enhance the perception, cognition, reasoning, interaction and execution capabilities of robots and agents, and drive the iterative upgrade of embodied large models and robot products. We are committed to evolving from a visual intelligence solution provider to an entity AI enterprise that integrates perception and execution. The Group has positioned the next decade as a commercial robot company focused on productivity, adhering to the strategic principle of "extreme convergence and extreme focus" in the field of "productivity tools" focusing on material handling, depalletising/palletising and special-purpose scenarios. In the short term, the Group will continue to strengthen the three business pillars of intelligent civil aviation, intelligent commerce and intelligent driving safety. In the medium to long term, leveraging our cross-scenario reusable general visual intelligence foundation, we will continue to iterate and deploy multiple categories of commercial robots, completing the strategic upgrade from visual intelligence solutions to the integrated entity AI of perception and execution.

Technology R&D and Product Iteration

The Group will continue to deepen and upgrade the three-layer technology architecture of "base technology — fusion technology — building block technology", and continuously iterate around the three major visual intelligence agent — RecoSee ("See Clearly"), RecoAware ("Understand") and RecoThink ("Think") — along the technology evolution path of "visual perception — visual cognition — embodied execution". In September 2025, the Group launched the "AntOne" Baggage Handling Robot in airports. It has completed pilot deployment at a domestic airport with an annual passenger throughput of over 10 million supporting 24/7 uninterrupted operation. In April 2026, the Group iteratively launched the new VTFLA Embodied AI Technology Architecture, which integrates multi-modal input perception including vision, touch and force sensing on top of the traditional VLA (Vision-Language-Action) framework. Its core design philosophy is that over 80% of intelligence is realised on the edge side, adopting a fast-slow collaborative dual-system design to achieve decoupled coordination between task planning and real-time control. The Group plans to further advance the R&D of lightweight edge-side embodied intelligence technologies, continuously enhancing multi-modal perception and execution capabilities. In August 2026, the Company presented a comprehensive embodied intelligence solution for airport productivity scenarios at the 2026 World Robot Conference, reconstructing the traditional manual baggage transfer model through human-machine systems and multi-robot collaborative operations, creating a safe, reliable and flexibly adaptable full-chain intelligent baggage handling system. In addition, the Group has initiated the R&D of wheeled dual-arm robots, which are expected to be launched in 2027 and commercialised in 2028, with application scenarios extending from stationary baggage handling to mobile loading and unloading under aircraft, and gradually expanding to warehousing, industrial automation and other scenarios, completing the upgrade from visual intelligence solutions to the integrated entity AI of "perception — cognition — physical execution".

Overseas Market Expansion

The Group is actively exploring international market opportunities and has launched proof-of-concept pilot projects at Hamad International Airport in Doha, Qatar, and Islam Karimov Tashkent International Airport in Uzbekistan. Our overseas strategy focuses on localisation. We will follow the strategic approach of "regional deep cultivation + new market development", which emphasises "local ecosystem collaboration + technology standard export + product localisation", achieving a scalable international layout through a "light-asset, deep-cooperation" model.

Our overseas expansion will adopt a "head-first, long-tail-second" strategy, targeting leading airports in the Middle East (including Doha and Dubai) and Southeast Asia (including Singapore) as the first-phase focus, establishing benchmark cases before gradually radiating to long-tail customers, and subsequently entering the European and American markets. The "AntOne" Baggage Handling Robot product will be directly expanded into the European and Japanese markets as a hardware product to circumvent data compliance risks, exploring a new path for Chinese AI companies going global. Approximately 10.4% of the net proceeds from the Group's listing will be used to enhance marketing capabilities and expand overseas sales channels, providing financial support for our global expansion.

Attracting and Developing Talent to Drive AI Innovation

We are committed to continuously investing in building a diversified and systematic talent attraction, development and retention mechanism. Our talent strategy is based on two complementary pillars: enhancing internal recruitment and training capabilities, and strengthening strategic partnerships with universities and research institutions. We focus on expanding and optimising our recruitment and development framework to attract professionals, especially experts in AI engineering, robotics and vertical industries, with a particular emphasis on candidates with solid AI algorithms, deep industry knowledge and domain-specific technical understanding. In addition, we are building a talent pipeline through collaboration with academic institutions. We actively engage in joint R&D projects with top universities such as the University of Hong Kong, Civil Aviation University of China and Xiamen University, jointly applying for national and provincial-level research projects. We also collaborate with universities to establish joint research laboratories and implement an industry mentorship system, where our senior technical experts serve as academic mentors, aligning research efforts with our business needs while promoting talent development.

Industry Opportunities and Policy Support

Embodied intelligence has been included as a key future industry to be cultivated in the national "15th Five-Year Plan", with policy support continuing to strengthen. According to Frost & Sullivan, the market size of China's enterprise visual intelligence is expected to exceed RMB162.7 billion by year of 2030, of which the potential market size for embodied intelligence in airports, warehousing and other scenarios could reach RMB30 billion. The Group believes that the next three to five years will be a window period for the concentrated release of demand for B-end commercial robots. The Group will fully seize industry opportunities, leveraging our 14 years of visual technology accumulation and multi-scenario engineering delivery capabilities to continue advancing embodied intelligence from the laboratory into real industrial scenarios, creating long-term value for shareholders, employees and society.

III. FINANCIAL REVIEW

Revenue from Principal Businesses

Our revenue increased by approximately 58.7% from approximately RMB64.3 million for the six months ended June 30, 2025 to approximately RMB102.1 million for the Reporting Period, primarily attributable to the Company's proactive expansion of market channels and deepened engagement with high-value customers, which drove the growth of average customer value and transaction volume.

1. Revenue by segment

	For the six months ended June 30,			
	2026		2025	
	RMB'000 (unaudited)	**% of Total**	RMB'000 (audited)	% of Total
Intelligent civil aviation	**2,791**	**2.7**	666	1.0
Intelligent commerce	**33,643**	**33.0**	17,206	26.7
Intelligent driving safety	**65,636**	**64.3**	46,470	72.3
Others[1]	**34**	**0**	1	0
Total	**102,104**	**100.0**	64,343	100.0

Note:

(1) Others primarily include sales or smart water and electricity metres and electronic components.

Our revenue under the intelligent civil aviation segment increased by approximately 319.1% from approximately RMB0.7 million for the six months ended June 30, 2025 to approximately RMB2.8 million for the Reporting Period, primarily due to enhanced customer cooperation stability and increased average customer value. Our revenue under the intelligent commerce segment increased by approximately 95.5% from approximately RMB17.2 million for the six months ended June 30, 2025 to approximately RMB33.6 million for the Reporting Period, primarily due to continuous acquisition and servicing of high-value customers, which drove year-on-year growth in average customer value and transaction volume. Our revenue under the intelligent driving safety segment increased by approximately 41.2% from approximately RMB46.5 million for the six months ended June 30, 2025 to approximately RMB65.6 million for the Reporting Period, primarily due to continuous expansion of market channels and significant growth in new customer order volume, which drove the expansion of sales scale.

Cost of Sales

Our cost of sales increased by approximately 50.0% from approximately RMB50.2 million for the six months ended June 30, 2025 to approximately RMB75.4 million for the Reporting Period, primarily due to corresponding growth in line with the increase in sales revenue.

Gross Profit and Gross Profit Margin

Our overall gross profit increased by approximately 89.6% from approximately RMB14.1 million for the six months ended June 30, 2025 to approximately RMB26.7 million for the Reporting Period. Our overall gross profit margin increased from approximately 21.9% for the six months ended June 30, 2025 to approximately 26.2% for the Reporting Period. Without considering the impact of write-down of inventories recorded in cost of sales, the gross profit margin increased to approximately 27.1% for the Reporting Period (for the six months ended June 30, 2025: 25.0%).

Other Income and Gains

Our other income and gains decreased by approximately 41.7% from approximately RMB4.8 million for the six months ended June 30, 2025 to approximately RMB2.8 million for the Reporting Period, primarily due to a decrease in government grants for the current period.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by approximately 5.3% from approximately RMB16.7 million for the six months ended June 30, 2025 to approximately RMB15.8 million for the Reporting Period, primarily due to increases in depreciation and amortisation and share-based payment expenses, which were offset by a decrease in office, travel and business entertainment expenses as a result of the Company's cost control optimisation efforts.

Administrative Expenses

Our administrative expenses increased by approximately 2.8% from approximately RMB29.5 million for the six months ended June 30, 2025 to approximately RMB30.4 million for the Reporting Period, primarily due to increases in staff salaries, depreciation and amortisation, and share-based payment expenses, which were partially offset by decreases in lease expenses, office expenses and professional service fees. As a result, administrative expenses remained generally stable.

R&D Expenses

Our R&D expenses increased by approximately 51.2% from approximately RMB33.0 million for the six months ended June 30, 2025 to approximately RMB49.8 million for the Reporting Period, primarily due to a RMB16.4 million increase in R&D investment for commercial robots, representing an increase of 1,310%.

Income Tax Expenses

For the six months ended 30 June 2025 and 2026, we did not incur any income tax expenses.

Net Loss

As a result of the foregoing, we recorded a net loss of approximately RMB64.1 million for the Reporting Period, representing a decrease of approximately RMB4.6 million from a net loss of approximately RMB68.7 million for the six months ended June 30, 2025.

Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with the International Financial Reporting Standards (the "**IFRS(s)**"), we also use adjusted net loss (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with, the IFRSs. We believe that such non-IFRS measure facilitate comparisons of operating performance from period-to-period and company-to-company by eliminating potential impacts of certain items and provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under the IFRSs.

We define adjusted net loss (non-IFRS measure) as loss for the period adjusted for share-based payments expenses and listing expenses. Listing expenses are related to the global offering. Share-based payment expenses are non-cash expenses arising from granting restricted share units and options to senior management and employees. The following table sets out a reconciliation from adjusted net loss (non-IFRS measure) to loss for the period which is presented in accordance with the IFRSs.

	For the six months ended June 30,	
	2026 RMB'000 (unaudited)	2025 RMB'000 (audited)
Loss for the period	**(64,083)**	(68,691)
Add:		
— Share-based payment expenses	**4,812**	455
— Listing expenses	**8,162**	11,899
Adjusted net loss (non-IFRS measure)	**(51,109)**	(56,337)

Adjusted net loss (non-IFRS measure) for the Reporting Period amounted to approximately RMB51.1 million, representing a decrease of approximately RMB5.2 million from approximately RMB56.3 million for the six months ended June 30, 2025. This decrease was primarily due to revenue growth and gains from the reversal of impairment on account receivables, while the Company also increased its R&D investment, resulting in higher R&D expenses. These factors collectively contributed to the changes in net profit.

Financial Condition

Shareholders' equity decreased from approximately RMB107.6 million as at December 31, 2025 to approximately RMB48.3 million as at June 30, 2026, mainly due to a total comprehensive loss of the Company of approximately RMB64.1 million during the Reporting Period.

Capital Expenditures

Our capital expenditure increased by approximately 24.4%% from approximately RMB0.5 million for the six months ended June 30, 2025 to approximately RMB0.7 million for the Reporting Period, primarily due to the purchases of software for research and development.

Liquidity and Financial Resources

As at June 30, 2026, the Group had a total of approximately RMB21.9 million in cash and cash equivalents, a decrease of approximately RMB16.3 million from approximately RMB38.1 million as at December 31, 2025, mainly due to net cash outflows from operating activities.

As at June 30, 2026, we had interest-bearing bank and other borrowings of approximately RMB173.6 million (December 31, 2025: approximately RMB151.3 million).

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers debtors. To manage liquidity risk, the board (the "**Board**") of the directors of the Company (the "**Directors**") closely monitors the Group's liquidity position to ensure that sufficient financial resources are available in order to meet its funding requirements and commitment timely.

Gearing Ratio

Our gearing ratio, being on total liabilities divided by total assets and multiplied by 100%, was approximately 92% as at June 30, 2026 (December 31, 2025: approximately 84%).

Market Risks

The Group is exposed to various types of market risks, including fluctuations in interest rates, risk of change in industry regulation policies and foreign exchange risk.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term and long-term borrowings. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group's policy is to maintain certain of its interest-bearing bank borrowings at floating interest rates. At the end of each of the six months ended 2025 and 2026, approximately 20% and 15% of the Group's interest-bearing borrowings bore interest at floating rates, respectively. The Group currently does not enter into any hedging instrument for both of the fair value interest rate risk and cash flow interest rate risk.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations. The Group aims to utilise interest-bearing bank borrowings and lease liabilities to maintain the balance between the consistency and flexibility of financing activities.

Contingent Liabilities

As of the date of this report, the Company and its domestic controlling subsidiaries are being sued in connection with a pending lawsuit, with an aggregate claimed amount of RMB4.06 million, which is being disputed. At that time, the total registered capital of the company subject to the dispute was RMB10 million, and the Company is required to bear supplementary compensation liability to the plaintiff within the scope of its unpaid capital contribution of RMB1 million for the debts owed by a third party to the plaintiff.

Information on Employees

As at June 30, 2026, the Group had 214 employees, including the executive Directors. Total staff costs (including Directors' emoluments) were approximately RMB39.6 million for the Reporting Period, as compared to approximately RMB32.6 million for the six months ended June 30, 2025. Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

The Group places high value on recruiting, training and retaining its employees. The Group maintains high recruitment standards and provide competitive compensation packages. Remuneration packages for the Group's employees mainly comprise base salary, performance salary and bonus. The Group also provides both in-house and external trainings for our employees to improve their skills and knowledge. As required under the regulations of the People's Republic of China (the "**PRC**"), excluding, for the purpose of this report, Hong Kong Special Administration Region, Macau Special Administration Region and Taiwan, the Group participates in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, and unemployment benefit plans.

We contribute to defined contribution plans for our employees, including social pension insurance organised and implemented by local labour and social security bureau, whereby we in the PRC is required to contribute a certain percentage of the basic salaries of our employees to the plans. There is no provision under the defined contribution plans for forfeited contributions to be used by the Group to reduce the existing level of contributions.

The Company has adopted a share incentive scheme since 2019 (the "**Share Incentive Schemes**"), to award the partnership interest in our share incentive platforms to the scheme participants. The Share Incentive Scheme is not subject to the provisions of Chapter 17 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange. As at the date of this report, Shenzhen Ruiyuan Technology Centre Partnership (Limited Partnership) (深圳瑞元科技中心合夥企業(有限合夥)), Shenzhen Ruiyuan Technology Centre Partnership (Limited Partnership) (深圳瑞遠科技中心合夥企業(有限合夥)) and Shenzhen Ruiyitong Technology Partnership Enterprise (Limited Partnership) (深圳瑞億瞳科技合夥企業(有限合夥)) were established as our share incentive platforms, which are controlled by the same general partner, Mr. Zhan Donghui ("**Mr. Zhan**").

Emolument Policy

The emoluments of the Directors and senior management of the Group are determined by the Board with reference to the respective responsibilities and duties, experience, individual performance, and time devoted to the Group and may be adjusted upon the recommendation of the remuneration committee of the Company (the "**Remuneration Committee**"). The Remuneration Committee is established to review the Company's emolument policy and structure of all remuneration of the Directors and senior management of the Company.

Use of Proceeds from the Global Offering

The H Shares were listed on the Stock Exchange on July 8, 2026 (the "**Listing Date**"). As at the Listing Date and the date of this report, the Company had a total of 305,292,905 issued ordinary shares in the capital of the Company with a nominal value of RMB0.20 each (the "**Share(s)**"), comprising (i) 31,565,289 domestic ordinary Shares which are unlisted Shares not currently listed or traded on any stock exchange (the "**Domestic Shares**"), (ii) 245,640,616 H Shares converted from Domestic Shares, and (iii) 28,087,000 new H Shares issued at HK$21.66 per H Share. The net proceeds received from the global offering of its H Shares (the "**Global Offering**"), after deducting the underwriting fees and commissions and expenses payable by the Company in connection with the Global Offering, amounted to approximately HK$529.1 million. As at the date of this report, an analysis of the utilization of net proceeds is as follows:

	Approximate percentage of the total net proceeds (%)	Allocation of the net proceeds from the Global Offering (HKD' million)	Utilised amount as June 30, 2026 (HKD' million)	Unutilised amount as June 30, 2026 (HKD' million)	Expected time to utilise the remaining net proceeds in full
Continued research on core technologies and enhancement of product offerings	55.8	295.1	–	295.1	December 31, 2030
Establishment of production base	26.3	139.2	–	139.2	June 30, 2028
Enhancement of marketing capabilities and expansion of overseas sales channels in the next three years	10.4	55.1	–	55.1	December 31, 2028
General corporate purposes	7.5	39.7	–	39.7	December 31, 2027
Total[Note]	100.0	529.1	–	529.1	

The Company intends to use the net proceeds in the same manner and proportion as set out in the section headed "Future Plans and Use of Proceeds" of the prospectus issued by the Company dated June 29, 2026 (the "**Prospectus**"). As at the date of this report, the Company does not anticipate any change to its plan on the use of proceeds.

Significant Investments Held

For the Reporting Period, the Group did not hold any significant investment in equity interest in any other company.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the Prospectus and in the section headed "Use of Proceeds from the Global Offering" in this interim report, as at 30 June 2026, the Group did not have any plan for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures for the Reporting Period.

Charges on Group Assets

As at 30 June 2026, the Group's bank borrowings of RMB6.0 million were secured by certain invention patents as collateral (31 December 2025: RMB6.0 million).

OTHER INFORMATION

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

Since H Shares had not yet been listed on the Stock Exchange as of June 30, 2026, Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "**SFO**") and Section 352 of the SFO were not applicable to the Company for the Reporting Period. As at the date of this report, save as disclosed below, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the 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 which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange:

(i) Interest in Shares and underlying Shares

Name of Directors/ chief executive	Class of Shares	Capacity/Nature of interest	Number of securities held[1]	Approximate percentage of the total issued H Shares	Approximate percentage of the total issued Shares[4]
Mr. Zhan	H Shares	Beneficial owner	76,884,535	28.09%	25.18%
	H Shares	Interest in by controlled corporation[2]	24,389,160	8.91%	7.99%
	H Shares	Interest held jointly with other persons[3]	19,610,825	7.16%	6.42%
Mr. Han Songguang	H Shares	Beneficial owner	3,781,625	1.38%	1.24%
	H Shares	Interest held jointly with other persons[3]	117,102,895	42.78%	38.36%

Notes:

(1) All interests stated are long positions.

(2) Mr. Zhan is the general partner of each of Shenzhen Ruiyuan Technology Centre Partnership (Limited Partnership) (深圳瑞元科技中心合夥企業(有限合夥)) ("**Ruiyuan Technology Partnership**"), Shenzhen Ruiyuan Technology Centre Partnership (Limited Partnership) (深圳瑞遠科技中心合夥企業(有限合夥)) ("**Shenzhen Ruiyuan Technology Partnership**") and Shenzhen Ruiyitong Technology Partnership Enterprise (Limited Partnership) (深圳瑞億瞳科技合夥企業(有限合夥)) ("**Ruiyitong Technology Partnership**"). Mr. Zhan is therefore deemed to be interested in all the Shares held by Ruiyuan Technology Partnership, Shenzhen Ruiyuan Technology and Ruiyitong Technology Partnership under the SFO.

(3) Pursuant to the concert party agreements entered into by Mr. Zhan with Mr. Su Xiaosheng, Ms. Chi Chang and Mr. Han Songguang (collectively referred to as the "**Concert Parties**"), the Concert Parties had agreed to act in concert in exercising Shareholders' rights pertaining to our Company and would reach consensus and act in concert in respect of their voting rights on matters relating to the operation and management of our Company. Mr. Zhan is therefore deemed to be interested in the Shares held by the Concert Parties. Mr. Han Songguang is therefore deemed to be interested in the Shares held by Mr. Zhan.

(4) As of the date of this report, the total issued Shares were 305,292,905 Shares (including 273,727,616 H Shares and 31,565,289 Domestic Shares)

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

As mentioned above, since H Shares had not yet been listed on the Stock Exchange as of June 30, 2026, Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO were not applicable to the substantial Shareholders for the Reporting Period. As at the date of this report, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholder	Class of Shares	Capacity/ Nature of interest	Number of securities held[1]	Approximate percentage of the total issued Domestic Shares	Approximate percentage of the total issued H Shares	Approximate percentage of the total issued Shares[3]
Su Xiaosheng (蘇曉生)	H Shares	Beneficial owner	12,047,500	N/A	4.40%	3.95%
	H Shares	Interest held jointly with other persons[2]	108,837,020	N/A	39.76%	35.65%
Chi Chang (遲暢)	H Shares	Beneficial owner	3,781,700	N/A	1.38%	1.24%
	H Shares	Interest held jointly with other persons[2]	117,102,820	N/A	42.78%	38.36%
Wuxi ST Zhihang Investment Management Centre (Limited Partnership) (無錫賽天智航投資管理中心(有限合夥))	H Shares	Beneficial owner	16,857,145	N/A	6.16%	5.52%
Ningbo Kesirui Equity Investment Center (Limited Partnership) (寧波科思瑞股權投資中心(有限合夥))	H Shares	Beneficial owner	11,313,292	N/A	4.13%	3.71%
	Domestic Shares	Beneficial owner	4,848,553	15.36%	N/A	1.59%

Name of Shareholder	Class of Shares	Capacity/ Nature of interest	Number of securities held[1]	Approximate percentage of the total issued Domestic Shares	Approximate percentage of the total issued H Shares	Approximate percentage of the total issued Shares[3]
Greenland Financial Holdings Group Company Limited (綠地金融投資控股集團有限公司) ("**Greenland Financial Holdings Group**")	H Shares	Beneficial owner	10,784,332	N/A	3.94%	3.53%
	Domestic Shares	Beneficial owner	3,276,131	10.38%	N/A	1.07%
Tongxiang Wutong Puhua Fengqi Venture Capital Partnership (Limited Partnership) (桐鄉梧桐普華鳳棲創業投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	5,365,141	17.00%	N/A	1.76%
Puhua Fengqi (Ningbo) Venture Capital Fund Partnership (Limited Partnership) (普華鳳起(寧波)創業投資基金合夥企業(有限合夥))	Domestic Shares	Beneficial owner	5,365,141	17.00%	N/A	1.76%
Shangshi Growth Acceleration (Hainan) Venture Capital Fund Partnership Enterprise (Limited Partnership) (尚勢成長加速(海南)創業投資基金合夥企業(有限合夥))	Domestic Shares	Beneficial owner	4,050,700	12.83%	N/A	1.33%
Shihezi Shangshi Growth of Equity Investment Partnership (LP) (石河子市尚勢成長股權投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	3,462,030	10.97%	N/A	1.13%

Name of Shareholder	Class of Shares	Capacity/ Nature of interest	Number of securities held[(1)]	Approximate percentage of the total issued Domestic Shares	Approximate percentage of the total issued H Shares	Approximate percentage of the total issued Shares[(3)]
Hainan Cheng Mingrui Investment Partnership (Limited Partnership) (海南程銘瑞投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	2,497,125	7.91%	N/A	0.82%
Hunan Xingxiang Zhongzheng Xinying Equity Investment Fund Partnership (Limited Partnership) (湖南興湘中證信贏股權投資基金合夥企業(有限合夥))	H Shares	Beneficial owner	3,375,582	N/A	1.23%	1.11%
	Domestic Shares	Beneficial owner	2,700,468	8.56%	N/A	0.88%

Notes:

(1) All the interests stated are long positions.

(2) Pursuant to the concert party agreements entered into by Mr. Zhan with Mr. Su Xiaosheng, Ms. Chi Chang and Mr. Han Songguang (collectively referred to as the "**Concert Parties**"), the Concert Parties had agreed to act in concert in exercising Shareholders' rights pertaining to our Company and would reach consensus and act in concert in respect of their voting rights on matters relating to the operation and management of our Company. Each of Mr. Su Xiaosheng and Ms. Chi Chang is therefore deemed to be interested in the Shares held by Mr. Zhan.

(3) As of the date of this report, the total issued Shares were 305,292,905 Shares (including 273,727,616 H Shares and 31,565,289 Domestic Shares).

Save as disclosed above, as at the date of this report, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

LOCK-UP PERIOD

Pursuant to the applicable PRC law, within the 12 months following the Listing Date, all existing Shareholders (including our Pre-IPO Investors (as defined in the Prospectus)) are prohibited from disposing of any of the Shares held by them. The table below sets out the list of persons who are, together with their respective close associates, subject to lock-up requirements pursuant to Rule 18C.14 of the Listing Rules:

Name	Capacity	Aggregate number of Shares held as at the date of this report	Approximate percentage of shareholding in the total issued Shares as at the date of this report (%)	Lock-up period
Key persons and their close associates				
Mr. Zhan	Founder, chairman of our Board and executive Director	76,884,535	25.18	The period commencing on the date when the shareholding is disclosed in the Prospectus and ending on the date which is 12 months from the Listing Date (i.e. July 8, 2026)
Mr. Han Songguang (韓松光)	Executive Director and general manager of intelligent vehicle link business unit	3,781,625	1.24	
Mr. Su Xiaosheng (蘇曉生)	Chief scientist	12,047,500	3.95	
Ruiyuan Technology Partnership (note 1)	Share incentive platform controlled by Mr. Zhan	10,827,935	3.55	
Shenzhen Ruiyuan Technology Partnership (note 1)	Share incentive platform controlled by Mr. Zhan	10,827,935	3.55	
Ruiyitong Technology Partnership (note 1)	Share incentive platform controlled by Mr. Zhan	2,733,290	0.90	

OTHER INFORMATION

Name	Capacity	Aggregate number of Shares held as at the date of this report	Approximate percentage of shareholding in the total issued Shares as at the date of this report (%)	Lock-up period
Pathfinder SIIs				
Greenland Financial Holdings Group	Pathfinder SII	14,060,463	4.61	The period commencing on the date when the shareholding is disclosed in the Prospectus and ending on the date which is six months from the Listing Date (i.e. July 8, 2026)
Nanjing SAIF Equity Investment Fund (L.P.) (南京賽富股權投資基金（有限合夥）) and Hangzhou Fuyang SAIF Yi'an Equity Investment Partnership (Limited Partnership) (杭州富陽賽富億安股權投資合夥企業（有限合夥）)	Pathfinder SII	10,113,925	3.31	
Nantong Merchants Jianghai Industry Development Fund Partnership (L.P.) (南通招商江海產業發展基金合夥企業（有限合夥）)	Pathfinder SII	9,242,730	3.03	
Shanghai SASAC Investors				
Shanghai Hongyu Aviation Industry Equity Investment Partnership (Limited Partnership) (上海泓宇航空產業股權投資合夥企業（有限合夥）)	Pathfinder SII	9,717,910	3.18	
Sichuan Cooperation Innovation Fund	Pathfinder SII	7,326,270	2.40	

Note:

(1) The disposal restrictions pursuant to Rule 18C.14 of the Listing Rules include the indirect interests in our Shares held by the general partner and limited partners in the Company through these share incentive platforms.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CONVERTIBLE SECURITIES, SHARE SCHEMES, WARRANTS OR SIMILAR RIGHTS

For the Reporting Period, the Company did not issue any convertible securities, share options, warrants or similar rights.

For the Reporting Period and up to the date of this report, the Group has no share scheme (including any share option scheme) subject to the provisions of Chapter 17 of the Listing Rules.

DEBENTURES IN ISSUE

For the Reporting Period, neither the Company nor any of its subsidiaries issued any debentures.

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

For the Reporting Period and up to the date of this report, there was no purchase, sale or redemption of any listed securities (including sale of treasury Shares (as defined under the Listing Rules)) by the Company or any of its subsidiaries. As at the date of this report, the Company did not hold any treasury Shares.

MATERIAL PROCEEDINGS AND ARBITRATIONS

For the Reporting Period, the Group was not involved in any material legal proceedings or arbitrations where any member of the Group was a defendant. To the best of the Directors' knowledge, there are no pending or threatened material legal proceedings or claims against any member of the Group.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors.

The Board is pleased to confirm that, after making specific enquiries with all Directors, all have fully complied with the standards required according to the Model Code set out in Appendix C3 to the Listing Rules since the Listing Date and up the date of this report.

CORPORATE GOVERNANCE PRACTICES

The Company aims to achieve high standards of corporate governance, which are crucial to the Company's development and safeguard the interests of the Shareholders.

The Company has applied the principles of good corporate governance and adopted the code provisions of the Corporate Governance Code (the "**CG Code**") as its own code of corporate governance. The Company has complied with all applicable code provisions set out in Part 2 of the CG Code since the Listing Date and up to the date of this report, save as the below.

Pursuant to code provision C.2.1 of Part 2 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Currently, we do not have such separation, and Mr. Zhan performs both roles. The Board believes this arrangement provides (i) consistent leadership, (ii) more effective strategic planning, and (iii) smoother information flow between management and the Board. The Board considers that power and authority remain balanced given that the Board comprises three independent non-executive Directors and will review this arrangement in the future as appropriate.

Our Board will consider splitting the roles of the chairman of our Board and the chief executive of our Company at a time when it is appropriate by taking into account the circumstances of our Company as a whole and will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

CHANGES IN INFORMATION OF DIRECTORS

There is no information required to be disclosed pursuant to Rule 13.51B of the Listing Rules since the Listing Date and up to the date of this report.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Reporting Period (for the six months ended June 30, 2025: Nil).

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the section headed "Use of Proceeds from the Global Offering" above, the Group has no significant subsequent events subsequent to June 30, 2026 and up to the date of this report.

REVIEW OF INTERIM RESULTS

The audit committee of the Company (the "**Audit Committee**") consists of three Directors, namely Ms. Gu Wenbo, Mr. Tang Ke and Mr. Sun Xiaobei, with Mr. Tang Ke currently serving as the chairman and possessing the appropriate accounting or related financial management expertise in compliance with the requirements under Rules 3.10(2) and 3.21 of the Listing Rules. The primary responsibilities of the Audit Committee are to review and supervise the Group's financial reporting process, risk management and internal control system. The Audit Committee shall also exercise the powers and duties of the board of supervisors as stipulated in the PRC Company Law. The terms of reference of the Audit Committee are available on the Stock Exchange's website and the Company's website.

The Audit Committee and the senior management of the Company have reviewed the unaudited interim condensed consolidated financial statements of the Group for the Reporting Period and this interim report, and discussed the relevant accounting matters. The Audit Committee considers that this interim report has been prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been made.

Mr. Zhan Donghui
Chairman, Chief Executive Officer and Executive Director
Reconova Technologies Co., Ltd.

Hong Kong, August 26, 2026

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

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Audited) RMB'000
REVENUE	4	**102,104**	64,343
Cost of sales		**(75,365)**	(50,237)
Gross profit		**26,739**	14,106
Other income and gains		**2,775**	4,760
Selling and distribution expenses		**(15,802)**	(16,693)
Administrative expenses		**(30,367)**	(29,536)
Research and development costs		**(49,824)**	(32,955)
Impairment losses on financial assets and contract assets, net		**5,728**	(5,187)
Other expenses		**(203)**	(964)
Finance costs		**(3,129)**	(2,222)
LOSS BEFORE TAX	5	**(64,083)**	(68,691)
Income tax expense	6	**—**	—
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(64,083)**	(68,691)
Attributable to:			
Owners of the parent		**(63,869)**	(68,604)
Non-controlling interests		**(214)**	(87)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	8	**(0.23)**	(0.25)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	**3,487**	4,129
Right-of-use assets		**8,925**	11,824
Intangible assets		**2,176**	2,177
Contract assets		**4,662**	4,545
Prepayments, receivables and other assets		**1,370**	1,489
Total non-current assets		**20,620**	24,164
CURRENT ASSETS			
Inventories		**21,872**	19,308
Trade and bills receivables	10	**510,151**	586,599
Contract assets		**4,816**	4,489
Prepayments, receivables and other assets		**7,449**	8,025
Financial assets at fair value through profit or loss		**194**	1,128
Cash and cash equivalents		**21,853**	38,136
Total current assets		**566,335**	657,685
CURRENT LIABILITIES			
Trade payables	11	**256,564**	319,139
Other payables and accruals		**80,616**	82,500
Interest-bearing bank and other borrowings		**165,714**	151,250
Lease liabilities		**5,937**	6,086
Contract liabilities		**11,634**	2,237
Deferred Income		**2,950**	2,950
Total current liabilities		**523,415**	564,162
NET CURRENT ASSETS		**42,920**	93,523
TOTAL ASSETS LESS CURRENT LIABILITIES		**63,540**	117,687

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**7,854**	—
Lease liabilities		**4,821**	6,926
Provision		**2,577**	3,202
Total non-current liabilities		**15,252**	10,128
Net assets		**48,288**	107,559
EQUITY			
Equity attributable to owners of the parent			
Share capital	12	**55,441**	55,441
Reserves		**797**	59,854
Non-controlling interests		**(7,950)**	(7,736)
Total equity		**48,288**	107,559

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent						
	Paid-in capital RMB'000	Share capital RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
At 1 January 2026 (Audited)	–	55,441	187,810	5,307	(133,263)	(7,736)	107,559
Loss for the period	–	–	–	–	(63,869)	(214)	(64,083)
Total comprehensive loss for the period	–	–	–	–	(63,869)	(214)	(64,083)
Equity-settled share awards arrangements (note 13)	–	–	–	4,812	–	–	4,812
At 30 June 2026 (Unaudited)	–	55,441	187,810*	10,119*	(197,132)*	(7,950)	48,288

	Attributable to owners of the parent						
	Paid-in capital RMB'000	Share capital RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
At 1 January 2025 (Audited)	54,660	–	667,190	–	(593,154)	(6,810)	121,886
Loss for the period	–	–	–	–	(68,604)	(87)	(68,691)
Total comprehensive loss for the period	–	–	–	–	(68,604)	(87)	(68,691)
Conversion into a joint stock company	(54,660)	54,660	(527,114)	–	527,114	–	–
Equity-settled share awards arrangements (note 13)	–	–	–	455	–	–	455
At 30 June 2025 (Audited)	–	54,660	140,076*	455*	(134,644)*	(6,897)	53,650

* The reserve accounts comprise the consolidated reserves of RMB797,000 and RMB5,887,000 in the consolidated statements of financial position as at ended 30 June 2026 and 2025, respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

		For the six months ended 30 June	
	Notes	**2026 (Unaudited)**	2025 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(64,083)**	(68,691)
Adjustments for:			
(Reversal of)/provision of impairment for trade receivables	10	**(5,587)**	4,679
(Reversal of)/provision of impairment for prepayments, other receivables and other assets		**(324)**	502
Provision of impairment for contract assets		**183**	6
Provision of impairment for inventories		**894**	1,993
Depreciation of items of property, plant and equipment		**940**	1,943
Depreciation of right-of-use assets		**2,899**	2,849
Amortisation of intangible assets		**329**	178
Gain on waive of lease liability by the lessor		**—**	(395)
Equity-settled share option expense		**4,812**	455
Fair value gains on financial assets at fair value through profit or loss		**(4)**	(2)
Loss on disposal of items of property, plant and equipment		**36**	120
Foreign exchange differences, net		**—**	7
Finance costs		**3,129**	2,222
Bank interest income		**(2)**	(5)
Finance income on the net investment in a lease		**—**	(1)
Operating profit before changes in working capital		**(56,778)**	(54,140)
Increase in inventories		**(3,458)**	(16,935)
Decrease/(increase) in trade and bills receivables	10	**82,035**	(29,947)
Decrease in prepayments, other receivables and other assets		**2,307**	2,351
Increase in contract assets		**(627)**	(147)
(Decrease)/increase in trade and bills payables	11	**(62,575)**	12,023
Increase in contract liabilities		**9,397**	251
(Decrease)/increase in other payables and accruals		**(2,491)**	3,168
Increase in deferred income		**—**	2,950
Increase/(decrease) in provision		**(626)**	328
Cash used in operations		**(32,816)**	(80,098)
Interest received		**2**	5
Net cash used in operating activities		**(32,814)**	(80,093)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June 2026 (Unaudited)	2025 (Audited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment			
Purchase of financial assets measured at fair value through profit or loss		**(100)**	—
Proceeds from disposal of financial assets at fair value through profit or loss		**1,038**	850
Purchase of items of intangible assets		**(328)**	—
Net cash flows from investing activities		**275**	317
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		**183,460**	112,200
Repayment of bank and other borrowings		**(161,517)**	(52,439)
Loans from related parties		**—**	8,198
Principal portion of lease payments		**(2,461)**	(3,527)
Interest and other finance costs paid		**(2,546)**	(1,060)
Sublease		**—**	203
Payment for deferred listing expenses		**(680)**	(1,073)
Net cash flows from financing activities		**16,256**	62,502
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(16,283)**	(17,274)
Cash and cash equivalents at beginning of period		**38,136**	54,678
Effect of foreign exchange rate changes, net		**—**	(7)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**21,853**	37,397

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards — Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*

The nature and impact of the amended IFRS Accounting Standards are described below:

(a) Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) Annual Improvements to IFRS Accounting Standards — Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group as a whole for the purpose of making decision on resources allocation and preformation assessment, therefore, no operating segment information is presented.

Geographical information

All operating entities are domiciled in Chinese Mainland. Since the revenues of the Group mainly derived from external customers based in Chinese Mainland during the six months ended 30 June 2026 and all the Group's non-current assets are located in Chinese Mainland, no further geographical information in accordance with IFRS 8 Operating Segments is presented.

Seasonality of operations

The Group's business is subject to seasonality, as the acceptance of the products and solutions under intelligent civil aviation and intelligent commerce tends to be concentrated in the second half of the year, particularly in the fourth quarter. The Group generally recognise a significant portion of its revenue in the fourth quarter of the financial year, primarily because many customers are generally inclined to complete their internal projects, procurement cycles, and budget utilisation within the same financial year. As a result, they tend to complete acceptance inspections and related procedures toward the end of the year, which leads to the recognition of revenue during this period.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Revenue from contracts with customers	**102,104**	64,343

Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Types of goods or services		
Intelligent civil aviation	**2,791**	666
Intelligent driving safety	**65,636**	46,470
Intelligent commerce	**33,643**	17,206
Others*	**34**	1
Total	**102,104**	64,343

4. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Timing of revenue recognition		
Goods transferred at a point in time	**98,669**	64,061
Services transferred over time	**3,435**	282
Total revenue from contracts with customers	**102,104**	64,343

* Others primarily include sales of smart water and electricity meters, power supplies, electronic component and estimate of provision.

The following table shows the amounts of revenue recognised in the six months ended 30 June 2026 and 2025 that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	**405**	1,761
Total	**405**	1,761

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

(a) Sale of products

The performance obligation is satisfied upon delivery and receive of the products or installation of the product and payment is generally made within 1 year from delivery, except for certain customers, where a portion of payment in advance is required.

(b) Maintenance services

The performance obligation is satisfied over time as service are render. The customer benefit from the Group's service software maintenance service throughout the service period in the contract. Payment terms and conditions are based on the billing schedules established in the contract with customers.

For the above contracts with customers, they are rendered in a short period of time, which is generally less than one year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

5. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cost of inventories sold***	**74,969**	50,165
Cost of services provided***	**396**	72
Research and development expense	**49,824**	32,955
Impairment of financial assets, net:		
Impairment/(reversal of impairment) of trade and bills receivables	**(5,587)**	4,679
Impairment/(reversal of impairment) of financial assets included in prepayments, other receivables and other assets	**(324)**	502
Impairment of contract assets	**183**	6
Write-down of inventories to net realisable value	**894**	1,993
Depreciation of property, plant and equipment*	**940**	1,943
Depreciation of right-of-use assets*	**2,899**	2,849
Amortisation of intangible assets*	**329**	178
Government grants**	**(816)**	(3,355)
Gain on waive of lease liability by the lessor***	**—**	(395)
Loss on disposal of property, plant and equipment****	**36**	120
Share-based payment expenses	**4,812**	455
Interest expenses on lease liabilities	**207**	251
Lease payments not included in the measurement of lease liabilities	**379**	486
Reversals of unutilised provision	**(555)**	(328)
Listing expense	**8,162**	11,899
Employee benefit expense (excluding directors' and chief executive's remuneration)		
Wages and salaries	**33,031**	25,135
Pension scheme contributions	**4,985**	3,616
Equity-settled share-based payments	**3,888**	435
Total	**178,652**	133,661

* The depreciation of property, plant and equipment, amortisation of intangible assets, and depreciation of right-of-use assets are included in "Cost of sales", "Selling and distribution expenses, "Administrative expenses", and "Research and development costs" in profit or loss.

** The amounts are included in "Other income and gains" in profit or loss.

*** The amounts are included in "Cost of sales" in profit or loss.

**** The amounts are included in "Other expenses" in profit or loss.

6. INCOME TAX EXPENSE

The provision for corporate income tax in Mainland China is based on the statutory rate of 25% of the assessable profits as determined in accordance with the PRC Corporate Income Tax ("CIT") Law which was approved and became effective on 1 January 2008.

No provision for Chinese Mainland income tax pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Law") has been made as the Company and its subsidiaries which operate in Chinese Mainland are in a loss position and have no estimated taxable profits.

Reconova Technologies Co., Ltd. and Reconova Technologies ShenZhen Co., Ltd. were approved as "High and New Technology Enterprises" under the relevant tax rules and regulations and accordingly were entitled to a preferential CIT rate of 15% in for the six months ended 30 June 2026. This qualification is subject to review by the relevant tax authority in the PRC every three years.

Guangdong Mai Ge Er Intelligent Technology Co., Ltd. and Beijing Deep Sense Technology Co., Ltd. have met the requirements under the relevant tax rules and regulations for small and low-profit enterprises, and accordingly, are subject to a reduced preferential CIT at a rate of 20%, and the portion of the annual taxable income exceeding RMB1,000,000 but not exceeding RMB3,000,000 is entitled to be included in the actual taxable income at a reduced rate of 25% and the enterprise income tax is at the rate of 20% for the six months ended 30 June 2026.

7. DIVIDENDS

During the six months ended 30 June 2026, no dividends have been paid or declared by the Company.

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

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 277,205,905 outstanding during the six months ended 30 June 2026 (30 June 2025: 273,301,595).

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2026 in respect of a dilution as the Group had no potentially dilutive ordinary shares outstanding.

The calculations of basic and diluted loss per share are based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculations (RMB'000)	**(63,869)**	(68,604)

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
Weighted average number of ordinary shares outstanding during the period, used in the basic loss per share calculation	**277,205,905**	273,301,595

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets at a cost of RMB335,000 (30 June 2025: RMB533,000). Assets with a net book value of RMB37,000 were disposed of by the Group during the six months ended 30 June 2026 (30 June 2025: RMB120,000), resulting in a net loss on disposal of RMB36,000 (30 June 2025: RMB120,000). During the six months ended 30 June 2026, no impairment loss was recognised (30 June 2025: nil) by the Group.

10. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	**625,650**	707,685
Less: Impairment of trade receivables	**(115,499)**	(121,086)
Net carrying amount	**510,151**	586,599

The Group's trading terms with its customers are mainly on credit, overdue balances are reviewed regularly by senior management. As at 31 December 2025 and 30 June 2026, 76.51% and 70.26% of trade receivables are concentrated on the Group's ten largest customers, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	**322,633**	408,870
1 to 2 years	**165,851**	156,454
2 to 3 years	**21,173**	20,123
3 to 4 years	**356**	1,152
4 to 5 years	**138**	—
Above 5 years	**—**	—
Total	**510,151**	586,599

10. TRADE AND BILLS RECEIVABLES (Continued)

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At 1 January	121,086	52,262
Impairment losses, net (note 5)	(5,587)	68,824
Total	115,499	121,086

An impairment analysis is performed at the end of each of six months ended 30 June 2026 using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Trade receivables for which the counterparties failed to make the demanded repayments are defaulted receivables. The Group has provided full impairment for the defaulted receivables. The Company estimated that the expected loss rate for its trade receivables due from subsidiaries is minimal.

In addition to the above, the Group considers customers who have confirmed that they will not be able to pay back, customers who are in litigation, customers who will be expected to make offsets, and other special considerations on an individual basis.

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

	As at 30 June 2026		
	Gross Carrying amount RMB'000	Expected credit loss rate	Expected credit losses RMB'000
On an individual basis :	9,748	100%	9,748
(i) Individual assessed			
On a collective basis:			
Within 1 year	367,433	12%	44,799
1 to 2 years	213,534	22%	47,683
2 to 3 years	31,302	32%	10,129
3 to 4 years	1,178	70%	822
4 to 5 years	1,747	92%	1,609
Above 5 years	709	100%	709
Total	625,651	18%	115,499

10. TRADE AND BILLS RECEIVABLES (Continued)

	As at 31 December 2025		
	Gross Carrying amount RMB'000	Expected credit loss rate	Expected credit losses RMB'000
On an individual basis:			
(i) Individual assessed	9,587	100%	9,587
On a collective basis:			
Within 1 year	460,270	11%	51,401
1 to 2 years	199,165	21%	42,710
2 to 3 years	33,318	40%	13,195
3 to 4 years	4,420	74%	3,268
4 to 5 years	47	100%	47
Above 5 years	878	100%	878
Total	707,685	17%	121,086

11. TRADE PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the goods received from the suppliers, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	**189,604**	243,896
Over 1 year	**66,960**	75,243
Total	**256,564**	319,139

The trade payables are non-interest-bearing and are normally settled within 6 months. The amount aged over 1 year as at 30 June 2026 was due to the delayed settlement with the suppliers.

12. SHARE CAPITAL

On 30 May 2025, the then shareholders of the Company resolved at a shareholders' general meeting to convert the Company into a joint stock company with limited liability, with a registered capital of RMB54,660,319. Upon the completion of the registration with the Xiamen Municipal Bureau of Market Regulation on 11 June 2025, the Company was converted into a joint stock company with limited liability.

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

	Number of shares in issue	Share capital RMB'000
As at 1 January 2025	—	—
Issue of ordinary shares upon conversion into a joint stock company of RMB1 each	54,660,319	54,660
Share sub-division*	218,641,276	—
Capital contribution by Shareholders**	3,904,310	781
As at 31 December 2025, 1 January 2026 and 30 June 2026	277,205,905	55,441

* On 21 June 2025, pursuant to the resolution of the shareholder's meeting, the ordinary shares with a nominal value of RMB1.00 each were subdivided on a one-for-five basis, and the nominal value was changed to RMB0.20 each, following which total registered capital remained unchanged at RMB54,660,319, comprising 273,301,595 shares with a nominal value of RMB0.20 each.

** On 15 August 2025, the Company entered into a financing agreement with two Pre-IPO investors and issued 3,904,310 shares with a nominal value of RMB0.20 each to the two Pre-IPO investors with an aggregated consideration amount of RMB50,000,000, the proceed from the two Pre-IPO investors was received on 22 August 2025.

13. SHARE-BASED PAYMENTS

Share Incentive Scheme

In recognition of the contributions of employees and to incentivize them to further promote the development of the Company, the Company had adopted a share incentive scheme (the "**Share Incentive Scheme**"), to award the partnership interest in the share incentive platforms to the scheme participants. Shenzhen Ruiyuan Technology Center Partnership (limited partnership) (深圳瑞遠科技中心合夥企業(有限合夥)) ("**Shenzhen Ruiyuan Technology Partnership**"), Shenzhen Ruiyuan Technology Center partnership (limited partnership) (深圳瑞元科技中心合夥企業(有限合夥)) ("**Ruiyuan Technology Partnership**") and Shenzhen Ruiyitong Technology Partnership Enterprise (Limited Partnership) (深圳瑞億瞳科技合夥企業(有限合夥)) ("**Ruiyitong Technology Partnership**") were established as the Company's share incentive platforms to hold the shares specially awarded to the eligible participants as the ultimate beneficial owners. The Group has no control over the share incentive platforms.

On 10 November 2019, the Group issued its paid-in capital amounted to RMB2,165,587 and RMB2,165,587 to Shenzhen Ruiyuan Technology Partnership and Ruiyuan Technology Partnership respectively. The two incentive platforms then granted the shares of the platforms to the share incentive participants and accordingly the share incentive participants became the beneficial owners and entitled to the economic interest of the Company's development through the platform's share interest in the Company.

13. SHARE-BASED PAYMENTS (Continued)

Share Incentive Scheme (Continued)

On 28 November 2024, Ruiyitong Technology Partnership was established as a limited partnership under the laws of the PRC. On 10 April 2025, Mr. Zhan Donghui (詹東暉) transferred 564,603 shares to Ruiyitong Technology Partnership and accordingly Mr. Zhan Donghui became the shareholder of Ruiyitong Technology Partnership. On 10 June 2025, Ruiyitong Technology Partnership granted the 521,365 shares of the platforms to the share incentive participants and accordingly the share incentive participants became the beneficial owner and entitled to the economic interest of the Company's development through the platform's share interest in the Company.

On 27 June 2025, a shareholder of Shenzhen Ruiyuan Technology Partnership transferred 346,494 shares to Mr. Zhan Donghui (詹東暉) at a consideration of RMB700,000. According to the approved share award scheme supplement arrangement on the repurchased shares, included in the shares transferred, 321,449 shares are re-granted to Mr. Zhan Donghui with a 10 years' service period, and 25,045 are reserved and held by Mr. Zhan Donghui on behalf of an employee on 27 June 2025, which are subsequently granted and transferred to the employee on 8 September 2025, with a service period condition of 5 years. The fair value of the shares granted was measured at the grant date by reference to the Company's recent equity transfer price with/between its independent investors. The share-based payment expenses are recognised in profit or loss over the vesting periods on a straight-line basis.

These awards at the platforms are granted in tranches over a specified service period from the date of grant, or to certain incentive employees, without specified service period and vested immediately.

	Number of shares
At 1 January 2025	—
Granted during the year ended 31 December 2025	867,859
At 31 December 2025, 1 January 2026 and 30 June 2026	867,859

Through the granted of 521,365 shares, the incentive employees indirectly holding 2,606,827 shares of the Company, after taking into account the conversion into a joint-stock Company and the share-subdivision as set out in note 12.

During the six months ended 30 June 2026, the Group recognised share-based payment expenses in respect of the share granted pursuant to the Share Incentive Scheme of RMB4,812,000 (30 June 2025: RMB455,000).

The fair values of the share awards granted under the Share Incentive Scheme were estimated as at the grant date by using an option pricing model, taking into account the terms and conditions upon which the share awards were granted. The following table lists the significant inputs to the fair value model used during the year ended 31 December 2025:

	10 June 2025	27 June 2025	8 September 2025
Risk-free interest rate (%)	1.54	1.76	1.62
Volatility (%)	43.42	45.49	46.30

14. COMMITMENTS

The Group had no significant contractual commitments as at 30 June 2026.

15. RELATED PARTY TRANSACTIONS

The directors are of the view that the following companies are related parties that have material transactions or balances with the Group during the six months ended 30 June 2026.

(a) Name and relationships of the related parties

	Relationship with the Group
Mr. Ma Jiankang (馬健康)	the substantial shareholder
Ubisoft Technology (Shenzhen) Co., Ltd. (優必飛科技(深圳)有限公司)	Associate of the Group
Ms. Chi Chang (遲暢)	shareholder

(b) Transactions with related parties

In addition to the transactions detailed elsewhere in this interim condensed consolidated financial information, the Group had the following transactions with related parties during the period:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Audited)
lease payment by related parties:		
Ubisoft Technology (Shenzhen) Co., Ltd. (優必飛科技(深圳)有限公司)	–	33
Interest expenses charged by:		
Ms. Chi Chang (遲暢)	–	8,000
Loans borrowed from:		
Mr. Ma Jiankang (馬健康)	–	588
Ms. Chi Chang (遲暢)	–	8,000
Loans repaid to:		
Mr. Ma Jiankang (馬健康)	–	6
Ms. Chi Chang (遲暢)	–	8,000

15. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balances with related parties

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Amounts due to related parties:		
Other payables and accruals		
Mr. Ma Jiankang (馬健康)	**1,825**	1,825
Total	**1,825**	1,825

These balances were non-trade in nature and primarily arose from loans advanced by Mr. Ma Jiankang to Mai Ge Er Intelligent Technologies Co., Ltd., a non-wholly owned subsidiary of the Company in which Mr. Ma Jiankang is a minority shareholder. Such balances are unsecured and interest-free.

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Audited)
Salaries, allowances and benefits in kind	**2,040**	3,654
Pension scheme contributions	**—**	—
Equity-settled share-based payment expenses	**3,617**	23
Total	**5,657**	3,677

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

All the carrying amounts of the Group's financial instruments approximate to their fair values due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the bills receivables at fair value through other comprehensive income have been calculated by discounting the expected cash flows from the receivables using the discount rates from the factoring arrangement.

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The Group invests in unlisted investments, which represent wealth management products issued by banks in Mainland China. Fair value of the unlisted investments was determined by the quoted price of the net asset value by financial institutions as at the end of each of the Relevant Periods.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Financial assets at fair value through profit or loss	–	194	–	194
Total	–	194	–	194

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Financial assets at fair value through profit or loss	–	1,128	–	1,128
Total	–	1,128	–	1,128

17. CONTINGENT LIABILITIES

On 31 October 2019, the Company acquired a 10% equity interest in Shenzhen Ruiwei Zhanggui Technology Co., Ltd. ("**Ruiwei Zhanggui**"), with a subscribed capital contribution of RMB1,000,000 that remained unpaid. On 7 August 2020, the Company transferred the equity interest to a third party for RMB1 and completed the relevant registration changes. In 2023, the Court ruled that Ruiwei Zhanggui must repay the debt to the Plaintiff. The Plaintiff now requests Ruiwei Zhanggui's current shareholders and historical shareholders to assume supplementary compensation liability on the grounds that Ruiwei Zhanggui has no assets available for enforcement. The Company may be required to assume supplementary compensation liability for the debts owed by Ruiwei Zhanggui to the Plaintiff within the scope of the unpaid capital contribution of RMB1,000,000. As of the date of this report, the aforementioned case remains pending.

18. EVENTS AFTER THE REPORTING PERIOD

The H Shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 8 July, 2026 (stock code: 7656) and 28,087,000 H Shares were issued under the Global Offering.