SUNMI

Shanghai Sunmi Technology Co., Ltd.
上海商米科技集團股份有限公司

(A joint stock company controlled through weighted voting rights and incorporated in the People's Republic of China with limited liability)

(Stock Code: 6810)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board of directors (the "**Board**") of Shanghai Sunmi Technology Co., Ltd. (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended June 30, 2026 (the "**Reporting Period**"), together with the comparative figures for the six months ended June 30, 2025. The interim results have been reviewed by the audit committee of the Company (the "**Audit Committee**").

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

Results Highlights

	For the six months ended June 30,		
	2026	2025	Period-
	RMB'000	*RMB'000*	to-period
	(Unaudited)	(Unaudited)	change
Revenue	**1,762,010**	1,400,944	25.8%
Gross profit	**565,832**	447,664	26.4%
Research and development ("**R&D**") expenses	**216,211**	208,834	3.5%
(Loss) profit for the period	**(69,996)**	15,929	Not applicable
Adjusted net (loss) profit for the period (non-IFRS measure)	**(11,854)**	50,552	Not applicable
(Loss) earnings per share (RMB)	**(0.19)**	0.04	Not applicable

Adjusted net (loss) profit for the period (non-IFRS measure) is defined by adding back (i) share-based compensation expenses and (ii) listing expenses, to (loss) profit for the period.

BUSINESS OVERVIEW

BUSINESS REVIEW FOR THE REPORTING PERIOD

The Company continued to maintain a leading position in the global Business Internet of Things ("**BIoT**") market. The Company's integrated solution offering of "smart devices + SUNMI OS + BIoT Platform as a Service ("**PaaS**")" has become the preferred choice of tens of thousands of developers and tens of millions of merchants worldwide. It is increasingly serving as one of the infrastructures for global commercial digitalization, accelerating the advancement of offline commerce toward data connectivity and intelligent business decision-making.

In 2026, the Company introduced its "IoT + AI + RWA" strategy, leveraging Internet of Things ("**IoT**") as the edge computing foundation for commercial digitalization, deploying its proprietary artificial intelligence ("**AI**") Agent capabilities to provide merchants with an intelligent access point, and building commercial credibility based on trusted data through Real World Assets ("**RWA**"), thereby driving an iterative upgrade from connecting real-world commerce to creating trusted commercial value.

As of June 30, 2026, the Company's technology architecture, product stability and open ecosystem continued to gain recognition from global ecosystem partners and merchant customers. The Company serves numerous global multinational chain brands, and its products have been deployed in over 200 countries and geographic regions worldwide. The Company's cumulative active device base steadily increased to approximately 20 million units globally, with more than 6 million monthly active smart devices. The Company supported more than 73,000 business partners, while the repeat purchase rate of its core customers remained at a healthy level. The Company had attracted over 43,000 developers, supported approximately 37,000 applications available for download, and recorded cumulative application downloads of over 260 million.

As of June 30, 2026, the SUNMAX BIoT PaaS Platform had provided BIoT solutions to more than 35,000 merchants in 15 countries and regions across Chinese mainland, Hong Kong and Taiwan, as well as Southeast Asia, the Middle East and Africa, and Europe.

CORE COMPETITIVENESS

- **Broad Vertical Coverage and Diverse Customer Base.** The Company's cloud-integrated architecture enables the modularization and standardization of operational insights accumulated across diverse commercial scenarios, forming a scalable digitalization foundation. Over the past decade, the Company has expanded its solution offerings to a broad range of application scenarios, covering more than 100 industry sub-verticals. This scalable digitalization foundation enables the Company to serve large enterprise customers while also supporting a significant number of small- and medium-sized partners. At the same time, the Company offers fully integrated solution capabilities, enabling various types of commercial digitalization customers — including Software as a Service ("**SaaS**") developers, system integrators and payment solution providers — to collaborate with the Company and deliver user-friendly and technologically advanced solutions with lower deployment costs and faster response time.

- **Integrated AI Infrastructure for Offline Commerce.** The Company is deeply integrating its smart devices, proprietary SUNMI OS, BIoT PaaS platform and AI application services into a unified technology stack, progressively evolving into a global AI infrastructure provider for offline merchants. By offering a physical interface for digitalization and AI adoption, the Company enables merchants worldwide to access intelligent functions through its installed device base without requiring additional hardware investment. The Company has established a dedicated R&D team to develop AI agent tools for small and micro merchants, covering next-generation commercial applications such as internal controls, sales and marketing.

- **Leading Global BIoT Solution Provider Driving Value Chain Integration.** As of June 30, 2026, the Company supported more than 73,000 registered business partners with more than 6 million monthly active smart devices. The Company has nurtured active developer ecosystems dedicated to commercial scenarios, with its integrated architecture combining hardware, operating systems and cloud infrastructure enabling continuous device-cloud integration. The BIoT PaaS platform equips smart devices with cloud-based intelligence that supports real-time iteration, extends product lifecycle and expands application scenarios. The Company integrates advanced techniques such as AI algorithms, edge AI chips and multi-sensor fusion designs into its products, enhancing intelligence and responsiveness across use cases. As a key participant within the BIoT value chain, the Company's solutions enable merchants to improve service quality and operational efficiency, generating behavioral insights that strengthen partnerships and open new avenues for growth.

- **Global Market Expansion.** As one of the earliest Chinese IoT enterprises to pursue international expansion, the Company has established a mature global sales, service and supply chain network. As of June 30, 2026, the Company's solutions had been deployed in over 200 countries and geographic regions, with overseas revenue accounting for more than 80% of total revenue during the Reporting Period. Business revenue is well-diversified across Asia Pacific, North America, Europe and other major regions. The Company's comprehensive localized capabilities — encompassing language, payment, taxation and scenario-specific adaptations — enable efficient responses to differentiated merchant needs across geographies. To further expand market influence and strengthen customer interaction, in the first half of 2026, the Company, together with local partners around the world, newly established 13 SUNMI Home experience centers in the United States, Hong Kong, Thailand, Indonesia, Malaysia, the Maldives and other locations. As of June 30, 2026, the Company and its global partners had cumulatively established more than 120 SUNMI Home experience centers. SUNMI Home is a multi-dimensional ecosystem space product jointly developed by SUNMI and its ecosystem partners. It serves as a vehicle for IoT + AI solutions catering to diverse commercial scenarios, an interactive co-creation platform connecting global ecosystem partners, and a frontier where "technology changes commerce".

The Company has consistently strengthened the foundation of trust among global customers through stable and reliable product delivery, timely and high-quality localized after-sales services, and continuously iterated scenario-based solutions. During the Reporting Period, both orders and overall revenue recorded growth, and gross profit margin remained stable. However, due to listing-related intermediary fees and foreign exchange losses arising from the depreciation of the U.S. dollars against Renminbi, the Group recorded a loss of approximately RMB70 million for the Reporting Period.

Revenue for the Reporting Period amounted to RMB1,762.0 million, representing a period-to-period increase of 25.8%. Revenue generated outside Mainland China amounted to approximately RMB1.44 billion, accounting for more than 80% of total revenue. The increase in revenue was primarily driven by growth in sales of core smart hardware terminals and revenue from BIoT PaaS platform services, reflecting continued release of digitalization demand in the global retail and food and beverage sectors. The Company recorded notable growth in cooperation with global large-scale chain customers. At the same time, the Company achieved breakthroughs in developing new scenarios including AI-powered voice-based food ordering and AI-enabled shopping guidance. In addition, the Company accelerated overseas channel expansion and partner enablement, actively broadened its regional cooperation network, expanded the boundaries of its market coverage and deepened its global localization strategy, laying a solid foundation for continued business expansion. During the Reporting Period, upstream component prices rose significantly and temporary supply shortages emerged. Against this backdrop, the competitiveness of the Company's products became increasingly evident, and its overall gross profit margin remained relatively stable.

FUTURE OUTLOOK AND STRATEGIES

The advancement of AI requires authentic business scenarios, real-time operational data and executable interfaces at the point of commerce. The Company's smart devices — spanning intelligent desktop terminals, intelligent mobile terminals and intelligent payment terminals — are positioned at the frontline of merchant operations, serving as the digital nerve endings of offline commercial scenarios. With solutions deployed across food delivery, retail, food and beverage, hospitality, healthcare, logistics and more than 100 industry sub-verticals, the Company digitalizes high-frequency operational processes including payments, membership management, order fulfilment, inventory control and workforce management. As AI capabilities increasingly require physical-world grounding and closed-loop data feedback, the Company's cumulative active device base of approximately 20 million units and more than 6 million monthly active smart devices represent a natural terminal entry point and data interface through which AI can access and serve offline commercial scenarios at scale.

Looking ahead, the Company will continue to invest resources to enhance its R&D capabilities and strengthen its technological leadership and competitiveness. The Company will continue to increase its investment in AI technologies across the IoT device layer, OS platform layer, PaaS platform layer, and big data and BI layer. At the IoT device layer, the Company will strengthen computing capability combinations to enable perception, listening, interaction and execution in the physical world. At the OS layer, the Company will provide developers with various AI agents that balance on-device privacy protection with high-precision cloud inference capabilities, facilitating developer adoption and deployment. At the PaaS platform layer, the Company will help developers transform general AI capabilities into vertical-specific scenario solutions through Sunmax AI IDE (Integrated Development Environment), enabling full-chain automation from demand identification to deployment and further improving solution development efficiency. At the same time, the Company will leverage AI's reasoning capabilities to automatically mine business data and provide decision-making support for store operations. Through its "BIoT hardware foundation + on-device/platform AI technologies", the Company is reshaping traditional digital solutions and store operating logic. Leveraging products integrating on-device, edge computing capabilities and algorithm services, the Company provides merchants with product solutions that are easier to deploy, deliver higher performance and offer better cost-effectiveness on an ongoing basis. This, in turn, further strengthens the Company's global market position.

The Company is one of the earliest global BIoT solution providers to achieve large-scale international commercialization. The Company is committed to continuously expanding the influence of SUNMI as a leading global commercial BIoT brand through stable and reliable products, comprehensive localized services and strong market reputation. The Company will continue to focus on global key accounts and high-value customer groups, deepen service stickiness and steadily enhance its global market influence. For potential markets in the offline merchant digitalization sector, the Company will increase the penetration of its integrated BIoT solutions. The Company will strategically strengthen localized sales, operations and service teams in various regions, as well as regional partner relationships. By replicating successful experience from mature markets, it will continuously enhance customer experience and satisfaction and drive long-term global sales growth.

The Company will also continue to pursue strategic collaborations with partners across the BIoT value chain, including upstream and downstream players, to drive product iteration and upgrades, expand application scenarios and improve overall operational efficiency. The Company remains focused on identifying global investment and acquisition opportunities that can accelerate international expansion and solidify its presence in key markets worldwide.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

OVERVIEW

We are a leading global BIoT solution provider. Our disruptive solutions integrate smart hardware, software and data insights to enable the digital transformation of a vast array of offline commercial scenarios, streamlining essential business operations such as payments, membership management, order fulfillment, inventory control and workforce management.

Our BIoT solutions mainly include smart devices and BIoT PaaS platform. Each of our smart devices is powered by our professional commercial operating system, namely SUNMI OS, allowing merchants to efficiently manage and optimize their transactions and operations. Our BIoT PaaS platform offers a unified software infrastructure equipped with ready-to-use development tools that enable merchants and developers to efficiently develop, manage and upgrade vertical-specific software applications for use on smart devices.

REVENUE

During the Reporting Period, we generated our revenue primarily from sales of smart devices, and to a lesser extent, from PaaS platform and customization services. Our PaaS platform and customization services mainly consist of self-developed supporting software products or systems, provision of PaaS platform services and provision of customization services for BIoT hardware and software developed based on our PaaS platform.

Our revenue increased by 25.8% from RMB1,400.9 million for the six months ended June 30, 2025 to RMB1,762.0 million for the six months ended June 30, 2026, primarily due to (i) increased revenue generated from repeated purchases by existing customers and newly acquired customers; (ii) continued sales of existing products and additional revenue contribution from new products such as FLEX and CPad; and (iii) an increase in the average selling prices of certain products.

The following table sets forth a breakdown of our revenue by business segment and as a percentage of our total revenue for the periods indicated:

	For the six months ended June 30,			
	2026		2025	
	RMB	***%***	*RMB*	*%*
	(in thousands, except for percentages)			
	(Unaudited)			
Sales of smart devices				
Smart desktop devices	**478,860**	**27.2**	417,992	29.8
Smart mobile devices	**608,584**	**34.6**	389,790	27.8
Smart payment devices	**486,925**	**27.6**	446,727	31.9
Accessories and parts	**173,044**	**9.8**	133,012	9.5
Subtotal	**1,747,413**	**99.2**	1,387,521	99.0
PaaS platform and customization services	**14,597**	**0.8**	13,423	1.0
Total revenue	**1,762,010**	**100.0**	1,400,944	100.0

The following table sets forth our revenue breakdown by geographical locations and as a percentage of our total revenue for the periods indicated:

	For the six months ended June 30,			
	2026		2025	
	RMB	***%***	*RMB*	*%*
	(in thousands, except for percentages)			
	(Unaudited)			
Chinese mainland	**322,440**	**18.3**	375,516	26.8
Other Asia-Pacific Regions	**312,505**	**17.7**	292,022	20.8
North America	**179,171**	**10.2**	77,136	5.5
Central & South America	**119,352**	**6.8**	160,347	11.5
Europe	**584,116**	**33.1**	377,437	26.9
Middle East and Africa	**244,426**	**13.9**	118,486	8.5
Total revenue	**1,762,010**	**100.0**	1,400,944	100.0

COST OF SALES

Our cost of sales primarily consists of cost of raw materials, outsourcing service fees and other costs directly attributable to our sales of smart devices and provision of PaaS platform and customization services.

Our cost of sales increased by 25.5% from RMB953.3 million for the six months ended June 30, 2025 to RMB1,196.2 million for the six months ended June 30, 2026, primarily due to (i) increased sales volumes leading to higher total costs; and (ii) escalating memory prices, in line with the growth in revenue.

GROSS PROFIT AND GROSS PROFIT MARGIN

As a result of the foregoing, our gross profit increased by 26.4% from RMB447.7 million for the six months ended June 30, 2025 to RMB565.8 million for the six months ended June 30, 2026.

Our gross profit margin remained overall stable at 32.1% for the six months ended June 30, 2026 and 32.0% for the six months ended June 30, 2025.

DISTRIBUTION AND SELLING EXPENSES

Our distribution and selling expenses increased by 8.6% from RMB180.0 million for the six months ended June 30, 2025 to RMB195.5 million for the six months ended June 30, 2026, primarily due to (i) the expansion of our overseas business presence; and (ii) increases in salary levels and related employment costs across global labour markets during the Reporting Period.

ADMINISTRATIVE EXPENSES

Our administrative expenses increased by 100.4% from RMB53.8 million for the six months ended June 30, 2025 to RMB107.8 million for the six months ended June 30, 2026, primarily due to the strategic development advisory fees and the expansion of the overseas management team.

R&D EXPENSES

Our R&D expenses increased by 3.5% from RMB208.8 million for the six months ended June 30, 2025 to RMB216.2 million for the six months ended June 30, 2026, primarily due to our continued ramp-up in technology research, new projects and development initiatives and the expansion of our R&D headcount.

OTHER INCOME

Our other income decreased by 7.0% from RMB40.5 million for the six months ended June 30, 2025 to RMB37.7 million for the six months ended June 30, 2026, primarily because we strategically procured and pre-stocked memory products, which led to a reduction in our cash balances and a corresponding fall in our interest income.

OTHER GAINS AND LOSSES

Our other gains and losses changed from a gain of RMB0.4 million for the six months ended June 30, 2025 to a loss of RMB83.5 million for the six months ended June 30, 2026, primarily due to foreign exchange losses. Most of our revenue is denominated and settled in U.S. dollars. In the ordinary course of business, we hold substantial U.S. dollars and other foreign currency-denominated trade receivables and cash balances. The depreciation of U.S. dollars and other foreign currency against RMB has resulted in foreign exchange losses when revaluating foreign currencies assets at the end of the Reporting Period as well as upon actual receipt of overseas payments.

REVERSALS OF IMPAIRMENT LOSSES OR IMPAIRMENT GAINS

We recorded reversals of impairment losses or impairment gains of RMB5.0 million for the six months ended June 30, 2026, compared with RMB2.7 million for the six months ended June 30, 2025, in line with decrease in trade and other receivables.

LISTING EXPENSES

Our listing expenses were RMB49.8 million for the six months ended June 30, 2026, compared with RMB21.0 million for the six months ended June 30, 2025.

FINANCE COSTS

Our finance costs increased by 15.6% from RMB15.4 million for the six months ended June 30, 2025 to RMB17.8 million for the six months ended June 30, 2026, in line with the increase in the principal amount of our borrowings.

INCOME TAX (EXPENSE) CREDIT

We recorded income tax expense of RMB8.0 million for the six months ended June 30, 2026, compared with income tax credit of RMB3.6 million for the six months ended June 30, 2025, primarily due to an increase in deferred income tax expense.

(LOSS) PROFIT FOR THE PERIOD

Our profit for the period decreased from a profit of RMB15.9 million for the six months ended June 30, 2025 to a loss of RMB70.0 million for the six months ended June 30, 2026, primarily due to (i) increased listing expenses; and (ii) foreign exchange losses arising from our U.S. dollar-denominated assets.

NON-IFRS MEASURES

To supplement our interim condensed consolidated statement of profit or loss and other comprehensive income which are presented in accordance with IFRS Accounting Standards, we use adjusted net (loss) profit as a non-IFRS measure, which is not required by, or presented in accordance with, IFRS Accounting Standards.

We define adjusted net (loss) profit (non-IFRS measure) as (loss) profit for the period adjusted by adding back (i) share-based payments, which are non-cash in nature, and (ii) listing expenses, which relate to the global offering (the "**Global Offering**"). We believe that the non-IFRS measure facilitates comparisons of operating performance and provides useful information to investors and others in understanding and evaluating our operating performance in the same manner as it helps our management. However, our presentation of the non-IFRS measure for the periods may not be comparable to similarly titled measures presented by other companies. The use of the non-IFRS measure has limitations as an analytical tool, and investors should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

The following table reconciles our adjusted net (loss) profit (non-IFRS measure) for the periods indicated to the nearest measure prepared in accordance with IFRS Accounting Standards:

	For the six months ended June 30,	
	2026	2025
	(RMB in thousands)	
	(Unaudited)	(Unaudited)
(Loss) profit for the period	**(69,996)**	15,929
Adjusted for:		
Share-based payment expenses	**8,295**	13,653
Listing expenses	**49,847**	20,970
Adjusted net (loss) profit (non-IFRS measure)	**(11,854)**	**50,552**

Our adjusted net (loss) profit (non-IFRS measure) decreased by 123.4% from a profit of RMB50.6 million for the six months ended June 30, 2025 to a loss of RMB11.9 million for the six months ended June 30, 2026, primarily due to foreign exchange losses arising from our U.S. dollar-denominated assets.

LIQUIDITY AND CAPITAL RESOURCES

During the six months ended June 30, 2026, we primarily funded our cash requirements through bank borrowings, net proceeds from the Global Offering and/or other sources. Our cash and cash equivalents amounted to RMB1,994.5 million as of June 30, 2026, compared with RMB1,470.9 million as of December 31, 2025.

CASH FLOWS

The following table sets forth a summary of our cash flows for the periods indicated:

	For the six months ended June 30,	
	2026	2025
	(RMB in thousands)	
	(Unaudited)	(Unaudited)
Net cash (used in) from operating activities	**(796,688)**	140,786
Net cash from (used in) investing activities	**43,255**	(653,819)
Net cash from financing activities	**1,290,257**	116,396
Net increase (decrease) in cash and cash equivalents	**536,824**	(396,637)
Cash and cash equivalents at the beginning of the period	**1,470,895**	1,817,848
Effect of exchange rate changes	**(13,233)**	(913)
Total cash and cash equivalents at the end of period	**1,994,486**	1,420,298

Net Cash Used In Operating Activities

For the six months ended June 30, 2026, our net cash used in operating activities was RMB796.7 million, primarily due to our strategic procurement and pre-stocking of memory products in response to the continued rise in market prices of memory since 2025, which increased our inventory levels and consequently tied up a relatively large amount of operating working capital.

Net Cash From Investing Activities

For the six months ended June 30, 2026, our net cash from investing activities was RMB43.3 million, primarily due to proceeds from the maturity of time deposits, partially offset by payments for the acquisition of lands in Jiashan.

INDEBTEDNESS

As of June 30, 2026, our indebtedness primarily consisted of bank borrowing, lease liabilities and other payables.

Our total indebtedness amounted to RMB1,929 million as of June 30, 2026, compared with RMB1,510 million as of December 31, 2025.

CAPITAL EXPENDITURE

Our capital expenditures primarily consisted of the additions of property and equipment, right-of-use assets and other intangible assets. Our capital expenditures were RMB74.3 million for the six months ended June 30, 2026, compared with RMB28.0 million for the six months ended June 30, 2025, primarily due to the acquisition of the land use rights in Jiashan in the second quarter of 2026.

GEARING RATIO

As of June 30, 2026, the Company's gearing ratio (equals total liabilities divided by total assets, in percentage) was 54.1% (December 31, 2025: 60.9%).

CONTINGENT LIABILITIES

As of June 30, 2026, we did not have any material contingent liabilities.

PLEDGE OF ASSETS

As of June 30, 2026, we have RMB58.3 million restricted bank deposits for the issue of bills.

FOREIGN EXCHANGE RISK

We are exposed to foreign exchange risk arising from fluctuations in exchange rates of currencies in which we conduct our business. We will continue to monitor foreign exchange exposure and will take prudent measures to manage foreign exchange risks where appropriate.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

During the six months ended June 30, 2026, we did not have any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of June 30, 2026, we did not have any specific future plans for material investments or capital assets.

EMPLOYEES AND REMUNERATION POLICIES

As of June 30, 2026, we had 1,342 employees (December 31, 2025: 1,311). The total remuneration cost incurred by the Group for the six months ended June 30, 2026 was approximately RMB328.3 million, as compared to RMB306.2 million for the six months ended June 30, 2025. Our remuneration policies are determined with reference to the performance, qualifications, experience and responsibilities of individual employees, as well as the prevailing market conditions. We provide regular training to our employees to enhance their knowledge and skills. We may also consider granting share-based incentives from time to time and where appropriate and available to eligible participants to recognize their contributions and incentivize them to create long-term value for the Group.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the period from April 29, 2026 (the "**Listing Date**") to June 30, 2026, the Company had complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), save for the deviation from code provision C.2.1 as disclosed below.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") are expected to comply with, but may choose to deviate from, the requirement that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have a separate chairman and general manager, and Mr. Lin Zhe currently performs these two roles. The Board believes that vesting the roles of both chairman and general manager in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority under the present arrangement will not be impaired, and this structure will enable the Company to make and implement decisions promptly and effectively.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and review such practices from time to time to ensure compliance with statutory and professional standards and alignment with the latest developments.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct to regulate all securities transactions by the Directors and relevant employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company's securities.

Specific enquiries have been made of all the Directors and relevant employees, and they have confirmed that they had complied with the Model Code during the period from the Listing Date to June 30, 2026. No incident of non-compliance with the Model Code was noted by the Company during the period from the Listing Date to June 30, 2026.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code. As at June 30, 2026, the Audit Committee comprised three Directors, namely Ms. Wang Xia, Mr. Li Shihong and Mr. Poon Wing Shing, Anthony, all being independent non-executive Directors. Ms. Wang Xia, who has the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the chairperson of the Audit Committee.

The primary duties of the Audit Committee include, among others, making recommendations to the Board on the appointment or change of external auditors, monitoring the independence of external auditors and evaluating their performance, reviewing the financial information of the Company, reviewing the financial reports and statements of the Company, and reviewing the financial reporting system, risk management and internal control systems of the Company.

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended June 30, 2026 with the management of the Company. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and that appropriate disclosures have been made by the Company.

CORPORATE GOVERNANCE COMMITTEE

The Company has established the corporate governance committee (the "**Corporate Governance Committee**") with written terms of reference in compliance with Chapter 8A of the Listing Rules and the Corporate Governance Code. As at June 30, 2026, the Corporate Governance Committee comprised three independent non-executive Directors, namely Mr. Li Shihong, Ms. Wang Xia and Mr. Poon Wing Shing, Anthony. Mr. Li Shihong serves as the chairperson of the Corporate Governance Committee.

The primary duties of the Corporate Governance Committee are, among others, to ensure that the Company is operated and managed for the benefit of all shareholders of the Company (the "**Shareholders**") and to ensure the Company's compliance with the Listing Rules and the safeguards relating to the weighted voting rights structure of the Company. During the period from the Listing Date to June 30, 2026, the Corporate Governance Committee had reviewed and monitored the Company's corporate governance policies and practices, compliance with legal and regulatory requirements, compliance with the Corporate Governance Code, the training and continuous professional development of the Directors and senior management, the management of potential conflicts of interest, risks relating to the Company's weighted voting rights structure, and the communication between the Company and its Shareholders.

During the period from the Listing Date to June 30, 2026, the Corporate Governance Committee was not aware of any matter under Rule 8A.17 of the Listing Rules or any non-compliance by the beneficiaries of weighted voting rights with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H shares of the Company were listed on the Main Board of the Stock Exchange on April 29, 2026. The net proceeds from the Global Offering, after deducting underwriting commissions and other estimated expenses in connection with the Global Offering paid and payable by the Company and taking into account any additional discretionary incentive fee, amounted to approximately HK$922.0 million.

As of June 30, 2026, the Group had utilized approximately HK$65.4 million of the net proceeds from the Global Offering. There was no change in the intended use of net proceeds as previously disclosed in the prospectus of the Company dated April 21, 2026 (the "**Prospectus**"). The Group will continue to utilize the net proceeds from the Global Offering in accordance with the purposes and proportions set out in the Prospectus. The following table sets forth the planned applications of the net proceeds from the Global Offering, the actual usage up to June 30, 2026 and the expected timeline for utilization of the unutilized net proceeds:

Use of proceeds from the Global Offering	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceeds *(%)*	Utilized net proceeds as at June 30, 2026 *(HK$ million)*	Net proceeds unutilized as of June 30, 2026 *(HK$ million)*	Expected time frame for unutilized amount [(1)]
Research and development of BIoT hardware and software solutions	**368.8**	**40.0**	**2.6**	**366.2**	
– In-house R&D of core hardware components and support both the upgrade of existing smart devices and the development of next-generation smart devices	184.4	20.0	1.7	182.7	On or before December 31, 2029
– Development and upgrade of PaaS platform	92.2	10.0	0.2	92.0	On or before December 31, 2029
– AI-centric R&D investments	92.2	10.0	0.7	91.5	On or before December 31, 2029
Strengthening supply chain and manufacturing operations	**276.6**	**30.0**	**51.8**	**224.8**	
– Construction and upgrade of our production facilities	230.5	25.0	51.8	178.7	On or before December 31, 2027
– Expansion of overseas production lines	46.1	5.0	–	46.1	On or before December 31, 2029
Global market expansion initiatives	**184.4**	**20.0**	**5.3**	**179.1**	
– Maintaining and expand our sales force	14.8	1.6	–	14.8	On or before December 31, 2029
– Strengthening brand building initiatives globally through (a) increasing participation in major industry exhibitions to enhance brand exposure, (b) investing in online marketing and promotional campaigns, and (c) supporting co-branding and joint promotional activities with key partners in selected overseas markets	109.7	11.9	4.6	105.1	On or before December 31, 2029
– Expanding the coverage of SUNMI Home, our offline experience center	59.9	6.5	0.7	59.2	On or before December 31, 2029
Working capital and other general corporate purposes [(2)]	**92.2**	**10.0**	**5.7**	**86.5**	**On or before December 31, 2029**
Total	**922.0**	**100.0**	**65.4**	**856.6**	

Notes:

(1) The expected timeline for utilizing unutilized amount is based on the Group's best estimate of future market conditions and is subject to change in light of the development of current and future market conditions.

(2) Working capital and general corporate purposes include, among others, payments to suppliers and settlement of daily operating expenses.

The unutilized net proceeds from the Global Offering are expected to be applied in accordance with the purposes and expected implementation timetable disclosed in the Prospectus. To the extent that the net proceeds are not immediately required for the above purposes, the Company will only place such net proceeds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions.

The Company will issue announcement in due course if there is any material change to the use of proceeds as set out above.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities or Sale of Treasury Shares

During the period from the Listing Date to June 30, 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities, nor sold any treasury shares. As at June 30, 2026, the Company did not hold any treasury shares.

Auditor

The interim financial information for the six months ended June 30, 2026 are unaudited, but have been reviewed by Deloitte Touche Tohmatsu in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the Hong Kong Institute of Certified Public Accountants.

Interim Dividend

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2026.

Brazil Dispute Update

The Company is involved in a dispute with a customer in Brazil ("**Customer A**") arising from the termination of a supply agreement (the "**Agreement**"). The Company terminated the Agreement with Customer A on September 8, 2025 due to Customer A's continued failure to make payments in accordance with the credit terms under the Agreement and failure to remedy such non-payment within the applicable cure period. Customer A disputed the termination. On October 14, 2025, without commencing arbitration pursuant to the dispute resolution clause under the Agreement, Customer A obtained an interim order from a court in Manaus, Brazil, requiring the Company to continue to perform the Agreement on an interim basis and imposing certain restrictions on the Company's business activities in Brazil (the "**Manaus Court Order**").

The substantive dispute between the Company and Customer A has since been referred to International Chamber of Commerce ("**ICC**") arbitration proceedings for resolution (Case No. 29980/ICA5), and such ICC arbitration proceedings are progressing in the ordinary course.

On April 10, 2026, the Court of Appeals of the State of Amazonas in Brazil issued a ruling in respect of the Company's appeal against the interim injunction issued in October 2025, suspending the enforceability of such interim injunction. During the period in which the interim injunction was suspended, the Company engaged in preliminary commercial discussions with certain potential customers in Brazil other than Customer A. No binding purchase orders or sales contracts were entered into with such potential customers during this period.

From May to August 2026, the Company submitted multiple rounds of applications to the arbitral tribunal in connection with matters relating to the revocation of Brazil interim injunction. During the same period, in response, Customer A also filed applications with the arbitral tribunal, including seeking to restrict the Company from selling products to certain customers, with the intention of improperly restricting the Company from competing with it in the Brazilian market.

On July 20, 2026, the Court of Appeals of the State of Amazonas in Brazil issued a ruling in respect of an interlocutory appeal filed by Customer A, reinstating the enforceability of the interim injunction issued in October 2025. The Company has complied with the applicable local judicial procedures in all material respects and, during the period in which the interim injunction was in effect, did not engage in any conduct in breach of such interim injunction.

On August 20, 2026, the arbitral tribunal of the ICC issued Procedural Order No. 3, which upheld all of the Company's requests, granted the Company's application to revoke the interim injunction, dismissed Customer A's requests for interim measures, and directed the parties to promptly take all reasonably necessary steps to inform the relevant Brazilian courts.

The operative parts of the tribunal's decision are summarized as follows (for the purposes below, "Claimants" refers to Customer A and "Respondents" refers to the Company): The arbitral tribunal granted the Company's application to revoke the Manaus Court Order and confirmed that, for the purposes of this arbitration, such court order was superseded by the procedural order. The tribunal will no longer maintain the requirements under the original court order relating to the continued performance of the supply contract, the exclusivity measure applicable to the Brazilian market, restrictions on the Company's dealings with customers, or the daily coercive fine imposed by the Manaus Court. Customer A's requests for various interim measures, including requiring the Company to continue supplying spare parts and providing technical and customer-related support, prohibiting the Company from selling relevant products to certain customers, and imposing a weekly fine of USD20,000, were dismissed, without prejudice to Customer A's right to submit a renewed application should the circumstances materially change or to pursue its claims and seek for relief in these proceedings. The parties shall promptly take all reasonably necessary steps to inform the relevant Brazilian courts of matters concerning the Manaus Court Order. Further, either party intending to seek interim relief inconsistent with the procedural order shall first notify the tribunal and the other party. Customer A's request for a half day hearing was withdrawn and is therefore now without objection.

Customer A's attempt to restrict the Company from competing with it in the Brazilian market has failed as a result of the above ruling. The Company will take appropriate measures in Brazil to implement the ruling and commence its business operations in due course.

Events after the Reporting Period

Save as disclosed in this announcement, the Company is not aware of any significant event after the Reporting Period and up to the date of this announcement.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2026

	NOTES	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue	3	**1,762,010**	1,400,944
Cost of sales		**(1,196,178)**	(953,280)
Gross profit		**565,832**	447,664
Other income	5	**37,671**	40,526
Other gains and losses	6	**(83,495)**	360
Distribution and selling expenses		**(195,453)**	(179,969)
Administrative expenses		**(107,788)**	(53,789)
Research and development expenses		**(216,211)**	(208,834)
Reversals of impairment losses or impairment gains		**5,025**	2,740
Listing expenses		**(49,847)**	(20,970)
Finance costs	7	**(17,765)**	(15,371)
(Loss) profit before tax	8	**(62,031)**	12,357
Income tax (expense) credit	9	**(7,965)**	3,572
(Loss) profit for the period		**(69,996)**	15,929
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**15,746**	3,817
Other comprehensive income for the period, net of income tax		**15,746**	3,817
Total comprehensive (expense) income for the period		**(54,250)**	19,746

	NOTE	Six months ended June 30, **2026** **RMB'000** **(unaudited)**	2025 RMB'000 (unaudited)
(Loss) profit for the period attributable to:			
Owners of the Company		**(69,996)**	15,930
Non-controlling interests		*	(1)
(Loss) profit for the period		**(69,996)**	15,929
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		**(54,250)**	19,747
Non-controlling interests		*	(1)
		(54,250)	19,746
(LOSSES) EARNINGS PER SHARE			
Basic (in RMB)	*10*	**(0.19)**	0.04

* *Amount is less than RMB1,000.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	NOTES	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Non-Current Assets			
Property and equipment	12	**49,415**	42,112
Right-of-use assets	12	**115,502**	73,315
Other intangible assets		**40,744**	51,197
Financial assets at fair value through profit or loss ("**FVTPL**")		**194,665**	200,393
Prepayment for purchase of non-current assets		**6,244**	9,068
Term deposits with an original maturity over one year		**689,587**	683,468
Deferred tax assets		**61,999**	67,799
Other receivables	14	**14,244**	12,079
		1,172,400	1,139,431
Current Assets			
Inventories	13	**1,518,725**	773,265
Trade and other receivables	14	**1,638,399**	1,804,880
Contract costs		**5,561**	1,506
Tax recoverable		**4,391**	4,392
Bills receivables measured at fair value through other comprehensive income ("**FVTOCI**")		**8,569**	7,998
Term deposits with an original maturity over three months but within one year		**–**	92,720
Restricted bank deposits		**58,263**	57,332
Cash and cash equivalents		**1,994,486**	1,470,895
		5,228,394	4,212,988
Current Liabilities			
Trade and other payables	15	**1,370,131**	1,653,346
Income tax payable		**5,716**	11,301
Bank borrowings		**1,816,828**	1,396,362
Deferred income		**377**	1,994
Lease liabilities		**26,715**	23,715
Provisions		**16,476**	15,271
Contract liabilities		**149,368**	79,705
		3,385,611	3,181,694
Net current assets		**1,842,783**	1,031,294
Total assets less current liabilities		**3,015,183**	2,170,725

		As at	
		June 30, 2026	December 31, 2025
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(audited)
Non-Current Liabilities			
Other payables	*15*	**25,872**	27,259
Deferred tax liabilities		**974**	1,087
Deferred income		**4,820**	2,500
Lease liabilities		**45,378**	47,382
		77,044	78,228
Net assets		**2,938,139**	2,092,497
Capital and Reserves			
Share capital	*16*	**402,627**	360,000
Reserves		**2,535,511**	1,732,496
Equity attributable to owners of the Company		**2,938,138**	2,092,496
Non-controlling interests		**1**	1
Total Equity		**2,938,139**	2,092,497

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Attributable to the Owners of the Company								
	Share capital *RMB'000*	Share premium *RMB'000*	Foreign currency translation reserve *RMB'000*	Share-based payments reserve *RMB'000*	Statutory surplus reserve *RMB'000*	Retained profits *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
As at January 1, 2026 (audited)	**360,000**	**1,044,089**	**13,505**	**37,359**	**83,828**	**553,715**	**2,092,496**	**1**	**2,092,497**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(69,996)**	**(69,996)**	*	**(69,996)**
Other comprehensive income for the period	**–**	**–**	**15,746**	**–**	**–**	**–**	**15,746**	*	**15,746**
Total comprehensive income (expense) for the period	**–**	**–**	**15,746**	**–**	**–**	**(69,996)**	**(54,250)**	*	**(54,250)**
Issue of shares upon listing (Note 16)	**42,627**	**859,733**	**–**	**–**	**–**	**–**	**902,360**	**–**	**902,360**
Transaction costs attributable to issue of shares	**–**	**(10,763)**	**–**	**–**	**–**	**–**	**(10,763)**	**–**	**(10,763)**
Recognition of equity settled share-based payments (Note 17)	**–**	**–**	**–**	**8,295**	**–**	**–**	**8,295**	**–**	**8,295**
Transfer upon vesting of shares granted (Note 17)	**–**	**9,084**	**–**	**(9,084)**	**–**	**–**	**–**	**–**	**–**
As at June 30, 2026 (unaudited)	**402,627**	**1,902,143**	**29,251**	**36,570**	**83,828**	**483,719**	**2,938,138**	**1**	**2,938,139**
As at January 1, 2025 (audited)	360,000	1,014,909	3,349	46,546	69,064	345,878	1,839,746	1	1,839,747
Profit (loss) for the period	–	–	–	–	–	15,930	15,930	(1)	15,929
Other comprehensive income for the period	–	–	3,817	–	–	–	3,817	*	3,817
Total comprehensive income (expense) for the period	–	–	3,817	–	–	15,930	19,747	(1)	19,746
Recognition of equity settled share-based payments (Note 17)	–	–	–	13,653	–	–	13,653	–	13,653
Transfer upon vesting of shares granted (Note 17)	–	4,817	–	(4,817)	–	–	–	–	–
As at June 30, 2025 (unaudited)	360,000	1,019,726	7,166	55,382	69,064	361,808	1,873,146	*	1,873,146

* *Amount is less than RMB1,000.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	**(796,688)**	140,786
INVESTING ACTIVITIES		
Interest income received	**14,129**	20,737
Payment for rental deposits	**(2,229)**	(2,718)
Refund of rental deposits	**64**	1,928
Purchase of property and equipment	**(20,672)**	(15,455)
Purchase of land use right	**(44,031)**	–
Purchase of other intangible asset	**(287)**	(3,569)
Purchase of other financial investments	**–**	(4,074)
Proceeds on disposal of property and equipment	**–**	8
Government grants related to assets received	**3,200**	–
Purchase of structured deposit	**(260,000)**	(226,000)
Proceeds from disposal of structured deposit	**260,246**	80,038
Withdrawal of term deposits	**92,835**	57,500
Placement of term deposits	**–**	(562,214)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**43,255**	(653,819)
FINANCING ACTIVITIES		
Dividend paid	**–**	(132,540)
Deferred issue cost paid	**(2,853)**	(1,250)
Repayment of lease liabilities	**(12,048)**	(15,633)
Payment for acquisition of other intangible assets with financing component	**–**	(11,138)
New bank borrowings raised	**1,200,265**	720,032
Proceeds from issue of new shares	**902,360**	–
Repayment of bank borrowings	**(781,031)**	(429,179)
Bank interest paid	**(16,436)**	(13,896)
NET CASH FROM FINANCING ACTIVITIES	**1,290,257**	116,396
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**536,824**	(396,637)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**1,470,895**	1,817,848
Effects of exchange rate changes	**(13,233)**	(913)
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,994,486**	1,420,298

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2026

1. GENERAL INFORMATION

1.1 General information

Shanghai Sunmi Technology Co., Ltd.* (上海商米科技集團股份有限公司) (the "**Company**") was established in the People's Republic of China (the "**PRC**") on December 11, 2013, as a limited liability company. On June 28, 2019, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. On April 29, 2026, the Company's H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 06810.HK). The addresses of the registered office and principal place of business of the Company are Floor 6, Building 7, No. 388, Songhu Road, Yangpu District, Shanghai, PRC.

The Company and its subsidiaries (the "**Group**") are primarily engaged in the design, research and development, production, and sales of smart devices, along with the provision of related services.

The Group is controlled by Mr. Lin Zhe, who is the founder of the Group.

The interim condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

1.2 Basis of preparation

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

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. ACCOUNTING POLICIES

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

Other than change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those followed in the preparation of the Group's consolidated financial statements for each of the three years ended December 31, 2025 underlying the preparation of the historical financial information included in the accountants' report presented in the prospectus dated April 21, 2026.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2026 for the preparation of the Group's condensed consolidated financial statements:

* *For identification purposes only*

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
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

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

3. REVENUE

Disaggregation of revenue from contracts with customers

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Types of goods and services		
Sales of smart devices		
Smart desktop devices	**478,860**	417,992
Smart mobile devices	**608,584**	389,790
Smart payment devices	**486,925**	446,727
Accessories and parts	**173,044**	133,012
	1,747,413	1,387,521
PaaS platform and customization services	**14,597**	13,423
	1,762,010	1,400,944
Geographical information		
Asia Pacific, Middle East and Africa	**879,371**	786,024
Americas	**298,523**	237,483
Europe	**584,116**	377,437
	1,762,010	1,400,944
Timing of revenue recognition		
At a point in time	**1,757,562**	1,399,477
Over time	**4,448**	1,467
	1,762,010	1,400,944

4. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "**CODM**"), which is also identified as the chief executive officer of the Group, in order to allocate resources to segments and to assess their performance. During the period, the Group is primarily engaged in the sales of smart devices. The CODM assesses the operating performance and allocates the resources of the Group as a whole. Therefore, the CODM considers that the Group only has one operating segment.

The CODM reviews the overall results and financial position of the Group as a whole and no further analysis of the single segment is presented.

5. OTHER INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest income	**19,372**	24,174
Government grants related to income (note)	**15,802**	14,534
Government grants related to assets	**2,497**	1,818
	37,671	40,526

Note: The amount mainly represents various subsidies granted by the PRC local government authorities to group entities as incentives for the Group's operating activities. The government grants were unconditional and had been approved by the PRC local government authorities, which are recognised when payments were received.

6. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net foreign exchange losses	**(85,966)**	(2,069)
Fair value (losses) gains on other financial investments	**(420)**	546
Fair value (losses) gains on financial instruments	**(66)**	61
Others	**2,957**	1,822
	(83,495)	360

7. FINANCE COSTS

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expenses on bank borrowings	**16,463**	13,956
Interest expenses on lease liabilities	**1,302**	1,415
	17,765	15,371

8. (LOSS) PROFIT BEFORE TAX

(Loss) profit before tax has been arrived at after charging (crediting):

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Directors and supervisors' remuneration	**6,080**	4,825
Other employee benefits expenses:		
Salaries, bonus and other allowances	**283,671**	260,484
Retirement benefit scheme contributions	**30,275**	27,280
Equity-settled share-based payment expenses	**8,295**	13,653
	328,321	306,242
Amount capitalised in contract cost	**(5,278)**	(3,899)
	323,043	302,343
Depreciation of property and equipment	**13,844**	9,153
Depreciation of right-of-use assets	**13,530**	14,534
Amortization of other intangible assets	**10,646**	11,234
	38,020	34,921
Contract cost recognized as an expense	**1,180**	651
Cost of inventories recognized as an expense (including reversal of inventories amounting to RMB338,000 (six months ended June 30, 2025 Provision of inventories: RMB2,520,000))	**1,180,128**	933,767
Auditor's remuneration	**6,165**	3,435
Listing expenses	**49,847**	20,970

9. INCOME TAX EXPENSE (CREDIT)

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Income tax expenses (credit) comprise:		
Current tax:		
The PRC	**979**	40
Hong Kong	**–**	(1,566)
France	**616**	297
The USA	**354**	335
Others	**329**	39
	2,278	(855)
Deferred tax	**5,687**	(2,717)
	7,965	(3,572)

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the Company has been accredited as a High-New Technology Enterprise (the "**HNTE(s)**") by the Science and Technology Commission of Shanghai Municipality and relevant authorities in November 2023, with the preferential tax rate period to November 2026. The directors anticipate that the HNTE qualification of the Company will be successfully renewed. The Company adopted a preferential income tax rate of 15.00% (2025: 15.00%) for the periods presented. Besides, Citaq Co., Ltd. and Shanghai SunQuick Technology Co., Ltd., wholly-owned subsidiaries of the Company, have been accredited as HNTEs. Both subsidiaries were subject to a preferential corporate income tax rate of 15.00% for the periods ended June 30, 2026 and 2025.

Hangzhou Shanggong Equity Investment Co., Ltd., Shanghai Sunquick Technology Co., Ltd., Shanghai Sunmi Home Business Management Co., Ltd., Sunmax (Hangzhou) Co., Ltd., Sunmax Technology (Zhejiang) Co., Ltd. have been recognised as small and micro enterprises. According to the relevant provisions of announcement by the State Administration of Taxation, a preferential enterprise income tax rate of 20.00% was applied to small and micro enterprises and discounts on taxable income were further applicable for the portion of annual taxable income not exceeding RMB3,000,000 range from 75.00% to 87.5% during the periods ended June 30, 2026 and 2025. Other subsidiaries in the PRC are subject to tax rate of 25.00% for the periods ended June 30, 2026 and 2025.

Under the two-tiered profits tax rates regime in Hong Kong Profits Tax, the first HKD2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.50% for the periods ended June 30, 2026 and 2025.

The tax rate of the subsidiaries in Singapore is 17.00% for the periods ended June 30, 2026 and 2025.

The tax rate of the subsidiaries in France is 25.00% for the periods ended June 30, 2026 and 2025.

The tax rate of the subsidiaries in the USA is 21.00% for the periods ended June 30, 2026 and 2025.

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

10. (LOSSES) EARNINGS PER SHARE

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(Loss) profit for the period attributable to owners of the Company	**(69,996)**	15,930

	Six months ended June 30,	
Number of shares	**2026**	2025
	'000	*'000*
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic (losses) earnings per share	**374,209**	360,000

No diluted (losses) earnings per share were presented as there were no potential ordinary shares in issue during the periods ended June 30, 2026 and 2025.

11. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 30 June 2026 and 2025.

12. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group's property, plant and equipment incurred approximately RMB22,289,000 (six months ended June 30, 2025: RMB10,097,000) in order to upgrade its manufacturing capacities. During the current interim period, the Group's right-of-use assets incurred approximately RMB56,621,000 (six months ended June 30, 2025: RMB14,318,000), including land use rights of approximately RMB44,031,000 (six months ended June 30, 2025: nil) for business expansion.

13. INVENTORIES

	As at	
	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Raw materials and consumables	**1,115,878**	442,089
Work in progress	**3,015**	5,544
Finished goods	**399,832**	325,632
	1,518,725	773,265

Inventories are net of a write-down of approximately RMB21,640,000 (December 31, 2025: RMB21,978,000) as at June 30, 2026.

14. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables are as follows:

	As at	
	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables		
Related parties	**2,943**	15,412
Third parties	**615,016**	1,136,769
Less: allowance for expected credit losses	**(5,283)**	(11,237)
	612,676	1,140,944
Other receivables		
Related parties	**100**	103
Third parties	**448,304**	336,735
Less: allowance for expected credit losses	**(5,707)**	(4,919)
	442,697	331,919

	As at	
	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Bill receivables	**4,179**	1,807
Interest receivables	**839**	1,830
Prepayments to suppliers		
Related parties	**397**	1,867
Third parties	**296,665**	171,405
	297,062	173,272
Deferred issue costs	**–**	4,003
Value-added-tax ("**VAT**") recoverable	**23,644**	10,196
VAT export refund receivable	**256,122**	140,654
Rental deposits	**14,244**	12,079
Advance to employees	**1,180**	255
	1,652,643	1,816,959
Analyzed as:		
Non-current	**14,244**	12,079
Current	**1,638,399**	1,804,880
	1,652,643	1,816,959

The following is an aging analysis of trade receivables, net of allowance for credit losses, presented based on the date of delivery of goods and services at the end of each reporting period:

	As at	
	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 – 60 days	**517,377**	871,612
61 – 120 days	**69,931**	164,084
121 – 180 days	**3,482**	52,838
181 – 365 days	**14,483**	31,605
Over 365 days	**7,403**	20,805
	612,676	1,140,944

15. TRADE AND OTHER PAYABLES

	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Trade payables		
Third parties	**820,327**	991,601
Other payables		
Third parties	**72,164**	97,403
Bills payables	**351,052**	352,325
Payroll payables	**87,482**	125,889
Other tax payables	**7,701**	55,117
Accrued expenses	**39,889**	45,700
Accrued listing expenses and issue costs	**12,733**	11,004
Others	**4,655**	1,566
	152,460	239,276
	1,396,003	1,680,605
Analysed as:		
Non-current	**25,872**	27,259
Current	**1,370,131**	1,653,346
	1,396,003	1,680,605

The average credit period on purchases of goods and services of the Group is 30 – 90 days.

The following is an aging analysis of trade payables, presented based on the date of goods and services received at the end of each reporting period:

	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
0 – 60 days	**779,910**	942,558
61 – 120 days	**38,449**	47,627
121 – 180 days	**189**	382
181 – 365 days	**1,014**	357
Over 365 days	**765**	677
	820,327	991,601

The following is an analysis of bills payable based on the bill maturity dates at the end of each reporting period.

	As at	
	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 – 180 days	**351,052**	352,325

At the end of each reporting period, the Group's bills payables were issued by banks and were secured by the Group's restricted bank deposits.

16. SHARE CAPITAL

	Number of shares	Share capital
		RMB'000
Ordinary shares of RMB1 each authorised, issued and fully paid		
As at January 1, 2025 (audited), June 30, 2025 (unaudited), and January 1, 2026 (audited)	360,000,000	360,000
Issue of shares upon listing (Note a)	42,626,800	42,627
As at June 30, 2026 (unaudited)	402,626,800	402,627

Note a: On April 29, 2026, upon listing on The Stock Exchange of Hong Kong Limited, the Company issued 42,626,800 H shares with par value of RMB1 each at HK$24.86 each with gross proceeds of approximately HK$1,059,702,000 (RMB927,875,000).

Pursuant to a shareholders' resolution in June 2019, the Company adopted its weighted voting rights structure with its registered share capital comprising class A shares and class B shares. Each of the class A shares entitles the holders thereof to exercise ten votes and each of the class B shares entitles the holders thereof to exercise one vote, on any resolution tabled at the Company's general meetings, other than customary reserved matters on which the weighted voting rights attached to the class A shares shall be disregarded pursuant to the Company's then existing articles of association. All class A shares are beneficially owned by Mr. Lin Zhe, the founder of the Group.

17. SHARE-BASED PAYMENT TRANSACTIONS

In order to provide incentives to employees, senior management and directors, the Company had granted several batches of restricted share units according to the share-based compensation plan adopted in 2019 (the "**2019 Share Incentive Plan**"). The terms of the 2019 Share Incentive Plan during the period ended June 30, 2026 are the same as those followed in the preparation of the Group's consolidated financial statements for each of the three years ended December 31, 2025 underlying the preparation of the historical financial information included in the accountants' report presented in the prospectus dated April 21, 2026.

The Group recognises share-based payment expenses over the vesting period on a straight-line basis from the date the restricted share units are granted to the eligible grantees. During the period, equity-settled share-based payment compensation expenses of RMB8,295,000 (six months ended June 30, 2025: RMB13,653,000) in relation to the above-mentioned share-based payment arrangements were charged to profit or loss.

Set out below are details of the movements of the restricted shares units granted under the 2019 Share Incentive Plan during the current and preceding interim periods:

	Number of shares		Weighted average fair value per share at grant date
	Directors of the Company	Employees	RMB
2019 Share Incentive Plan			
As at January 1, 2026 (audited)	**–**	**3,649,399**	**20**
Granted	**–**	**–**	**–**
Vested	**–**	**(510,196)**	**18**
Forfeited	**–**	**(206,433)**	**15**
As at June 30, 2026 (unaudited)	**–**	**2,932,770**	**21**
As at January 1, 2025 (audited)	–	4,576,152	19
Granted	–	796,971	23
Vested	–	(492,735)	18
Forfeited	–	(143,998)	17
As at June 30, 2025 (unaudited)	–	4,736,390	19

The grant date fair value of the restricted share unit was determined based on the difference between the grant date fair value per share (derived from underlying equity value of the Company divides by the number of shares) of the Company and the subscription price of the restricted share unit. The Group applied the discounted cash flow method under the income approach to determine the underlying equity value of the Company. Best estimates of key assumptions, such as the discount rate, expected volatility and risk-free interest rate, are required to be determined by management. Key assumptions used in determining the fair value of shares under the share-based payment arrangements are as follows:

	Shares granted in 2025
Key assumptions	
Discount rate	13.00%
Risk-free interest rate	1.90%
Volatility	48.03%

The fair value of the restricted shares units was valued by directors of the Company with reference to valuation reports carried out by King Kee Appraisal and Advisory Limited, an independent qualified valuer.

18. RELATED PARTY TRANSACTIONS

(a) Related party transactions

Other than as disclosed elsewhere in these consolidated financial statements, the Group has the following transactions and balances with related parties:

		Six months ended June 30,	
Relationships	**Nature of transactions**	**2026**	2025
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
A group controls one of the shareholders of the Company, who has significant influence over the Company.	Purchase of materials and services	**7,755**	26,321
	Sales of goods and provision of services	**4,262**	59,423

		As at	
Relationships	**Nature of balances**	**June 30, 2026**	December 31, 2025
		RMB'000	*RMB'000*
		(unaudited)	(audited)
A group controls one of the shareholders of the Company, who has significant influence over the Company.	Trade receivables (Note)	**2,943**	15,412
	Other receivables (Note)	**100**	50
	Prepayments (Note)	**397**	1,867

Note: The amounts are trade in nature, unsecured, and non-interest bearing.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the current and preceding interim periods was as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Short-term benefits	**3,559**	4,592
Discretionary bonus (Note)	**4,936**	566
Retirement benefit scheme contributions	**179**	239
Share-based payments	**1,371**	848
	10,045	6,245

Note: Discretionary bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

19. SUBSEQUENT EVENTS

There were no material events taken place subsequent to June 30, 2026.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND 2026 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sunmi.com) and the 2026 interim report of the Company will be despatched to the Shareholders in a manner which the Shareholders have selected to receive corporate communications and will be published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees, business partners, and customers of the Group for their support and contribution to the Group.

By order of the Board
Shanghai Sunmi Technology Co., Ltd.
Mr. Lin Zhe
Executive Director, Chairman and General Manager

Shanghai, China, August 31, 2026

As at the date of this announcement, the Board comprises: (i) Mr. Lin Zhe, Mr. Chen Xiaojing, Mr. Zhang Jinpu and Mr. Chen Guihong as executive Directors; (ii) Mr. Wang Huan and Ms. Zhang Yi as non-executive Directors; and (iii) Mr. Li Shihong, Ms. Wang Xia and Mr. Poon Wing Shing, Anthony as independent non-executive Directors.