GALAXIS

浙江凱樂士科技集團股份有限公司

Zhejiang Galaxis Technology Group Co., Ltd.

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

Stock Code : 2729

2026

INTERIM REPORT

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Dr. GU Chunguang (谷春光) *(Chairman and Chief Executive Officer)*
Dr. YANG Yan (楊艷)
Mr. SHEN Lu (沈鷺)
Dr. BAI Hongxing (白紅星)

Non-executive Directors

Mr. SHEN Qi (沈奇)
Mr. LI Qiuyu (李秋雨)

Independent Non-executive Directors

Dr. HU Jianqiang (胡建強)
Mr. MO Rong (莫融)
Mr. LAU Hak Lap (劉克立)

AUDIT COMMITTEE

Mr. LAU Hak Lap (劉克立) *(Chairperson)*
Mr. SHEN Qi (沈奇)
Mr. MO Rong (莫融)

REMUNERATION AND APPRAISAL COMMITTEE

Dr. HU Jianqiang (胡建強) *(Chairperson)*
Dr. BAI Hongxing (白紅星)
Mr. MO Rong (莫融)

NOMINATION COMMITTEE

Dr. HU Jianqiang (胡建強) *(Chairperson)*
Dr. YANG Yan (楊艷)
Mr. LAU Hak Lap (劉克立)

STRATEGY COMMITTEE

Dr. GU Chunguang (谷春光) *(Chairperson)*
Dr. HU Jianqiang (胡建強)
Mr. MO Rong (莫融)

AUTHORIZED REPRESENTATIVES

Dr. GU Chunguang (谷春光)
Mr. WONG Chun Wing Samuel (黃俊穎)

JOINT COMPANY SECRETARIES

Mr. SONG Yao (宋垚)
Mr. WONG Chun Wing Samuel (黃俊穎)

COMPLIANCE ADVISOR

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27/F, Low Block, Grand Millennium Plaza
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HEAD OFFICE, REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Jiaxing, Zhejiang, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong SAR

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183 Queen's Road East, Wan Chai
Hong Kong SAR

PRINCIPAL BANK

Bank of Ningbo Jiaxing Branch
No. 1485 Qingfeng Road &
No. 883 Guangyi Road
Nanhu District, Jiaxing City
Zhejiang Province
PRC

COMPANY WEBSITE

www.galaxis-tech.com

STOCK CODE

2729

LISTING DATE

March 24, 2026

REPORT DATE

August 28, 2026

DEFINITIONS

"Anhui Galaxis"	Anhui Galaxis Technology Co., Ltd. (安徽凱樂仕科技有限公司), a limited liability company established under the laws of the PRC on March 1, 2022, and a wholly-owned subsidiary of our Company
"Audit Committee"	the audit committee of the Board
"Board"	board of directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	chairman of the Board
"Chief Executive Officer"	chief executive officer of the Company
"China" or "PRC"	the People's Republic of China
"Company"	Zhejiang Galaxis Technology Group Co., Ltd. (浙江凱樂士科技集團股份有限公司), a limited liability company established in the PRC on October 20, 2016, and converted into a joint stock company with limited liability on July 13, 2021, whose H Shares are listed on the Stock Exchange (stock code: 2729)
"Corresponding Period"	the six months ended June 30, 2025
"Director(s)"	director(s) of the Company
"Dr. GU"	Dr. GU Chunguang (谷春光), our founder, Chairman, executive Director and Chief Executive Officer, the spouse of Dr. YANG and a member of our Single Largest Group of Shareholders
"Dr. YANG"	Dr. YANG Yan (楊艷), our executive Director, the spouse of Dr. GU and a member of our Single Largest Group of Shareholders
"Employee Incentive Platforms"	Jiaxing Rongming, Jiaxing Yuxi, Jiaxing Hexi and Jiaxing Yuuxi
"Galaxis Wuxi"	Wuxi Galaxis Technology Co., Ltd (無錫凱樂士科技有限公司), a limited liability company established under the laws of the PRC on June 23, 2014, our predecessor and currently a wholly-owned subsidiary of our Company
"Global Offering"	an offering of 36,798,000 H Shares, comprising a final Hong Kong public offering of 3,679,800 H Shares and a final international public offering of 33,118,200 H Shares

"Group", "our Group", "we", "us" or "our"	our Company and our subsidiaries
"Guangdong Galaxis Jiadi"	Guangdong Galaxis Jiadi Technology Co., Ltd. (廣東凱樂仕佳的科技有限公司), a limited liability company established under the laws of the PRC on December 31, 2021, and a subsidiary of the Company
"H Share(s)" or "Share(s)"	the ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each
"Hong Kong SAR" or "Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"Hubei Galaxis Tongda Technology"	Hubei Galaxis Tongda Technology Co., Ltd. (湖北凱樂仕通達科技有限公司), formerly known as Hubei Jiuzhou Tongda Technology Development Co., Ltd. (湖北九州通達科技開發有限公司), a limited liability company established under the laws of the PRC on January 16, 2009, and a wholly-owned subsidiary of our Company
"IFRS"	IFRS Accounting Standards issued by the International Accounting Standards Board
"Jiaxing Gaile"	Jiaxing Gaile Investment Co., Ltd. (嘉興蓋勒投資有限公司), a limited liability company established under the laws of the PRC on August 31, 2020, a member of our Single Largest Group of Shareholders
"Jiaxing Hexi"	Jiaxing Hexi Investment Partnership Enterprise (L.P.) (嘉興翮璽投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on June 22, 2020, a member of our Single Largest Group of Shareholders and one of our Employee Incentive Platforms
"Jiaxing Huige"	Jiaxing Huige Investment Partnership Enterprise (L.P.) (嘉興匯戈投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on August 22, 2018, a member of our Single Largest Group of Shareholders
"Jiaxing Jiumai"	Jiaxing Jiumai Investment Co., Ltd. (嘉興九麥投資有限公司), a limited liability company established under the laws of the PRC on September 9, 2014, a member of our Single Largest Group of Shareholders
"Jiaxing Rongming"	Jiaxing Rongming Investment Partnership Enterprise (L.P.) (嘉興融銘投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on July 24, 2018, a member of our Single Largest Group of Shareholders and one of our Employee Incentive Platforms

DEFINITIONS

"Jiaxing Yuuxi"	Jiaxing Yuxi Investment Partnership Enterprise (L.P.) (嘉興羽璽投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on June 22, 2020, a member of our Single Largest Group of Shareholders and one of our Employee Incentive Platforms
"Jiaxing Yuxi"	Jiaxing Yuxi Investment Partnership Enterprise (L.P.) (嘉興昱璽投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on June 22, 2020, a member of our Single Largest Group of Shareholders and one of our Employee Incentive Platforms
"Listing"	listing of the H Shares on the Main Board of the Stock Exchange
"Listing Date"	March 24, 2026, the date on which the H Shares were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus of the Company dated March 16, 2026
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Reporting Period"	the six months ended June 30, 2026
"RMB"	Renminbi, the lawful currency of the PRC
"R&D"	research and development
"SFO"	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Shareholder(s)"	holder(s) of the Shares

"Single Largest Group of Shareholders"	Dr. GU, Dr. YANG, Mr. SHEN Lu, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming, Jiaxing Gaile, Jiaxing Yuxi, Jiaxing Hexi and Jiaxing Yuuxi
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of the Board
"Zhejiang Galaxis International Trade"	Zhejiang Galaxis International Trade Co., Ltd. (浙江凱樂士國際貿易有限公司), a limited liability company established under the laws of the PRC on July 20, 2022, and a wholly-owned subsidiary of our Company
"%"	per cent

FINANCIAL HIGHLIGHTS

	Six month ended June 30,		Change
	2026	2025	
	RMB'000	RMB'000	
Revenue	**504,905**	347,981	45.1%
Gross profit	**88,208**	61,833	42.7%
Gross profit margin (in percentage)	**17.5%**	17.8%	Decreased by 0.3 percentage points
Loss for the period	**(73,252)**	(85,906)	Reduction of loss of 14.7%
Loss attributable to equity shareholders of the Company	**(81,279)**	(85,883)	Reduction of loss of (5.4%)
Loss per Share (Basis and diluted) (RMB)(1)	**(0.20)**	(0.22)	(9.1%)

Note:

1. The calculation is based on the loss attributable to equity shareholders of the Company and the weighted average number of ordinary Shares in issue during the Corresponding Period. Please refer to Note 8 to the consolidated financial statements in this interim report.

Having due regard to the long-term interests of the Shareholders and our Company, the Board did not recommend the distribution of any interim dividend for the Reporting Period.

BUSINESS REVIEW AND DEVELOPMENT

BUSINESS REVIEW AND OUTLOOK

We are an intelligent intralogistics robotics provider offering a diverse range of robots centered on three core product lines: multi-directional shuttle robots (MSRs), autonomous mobile robots (AMRs), and conveying and sorting robots (CSRs). Our robotics portfolio covers the entire spectrum of intralogistics operations, addressing the core functions of storage, sorting and transport.

BUSINESS REVIEW

During the Reporting Period, we have been carrying out our globalization strategy systematically in offshore markets, setting up local teams in North America, Southeast Asia, South America, Europe and other offshore markets.

During the Reporting Period, through our comprehensive robotics portfolio, we had further expanded our partnership network in overseas markets, including a leading intelligent warehousing solution provider, with a total of 22 overseas partners across 31 countries and regions. Deploying locally on a collaborative ecosystem effectively enhanced our strategic overseas business expansion.

On the basis of deepening our moat in our established markets, we made significant breakthroughs in markets such as Australia and other regions in the Reporting Period and made substantial progress in our global market development. During the Reporting Period, we tapped into the Australian market with our very-narrow-aisle fork-type robots (VFRs) and secured project orders for our VFR from a health supplement manufacturing company. We deployed the industry-leading "integrated large and small vehicles collaborative intelligent warehousing solution", building a tiered operational framework based on our robot control system: the large vehicles are responsible for intensive storage operations at higher-level storage space, while the small vehicles are responsible for material handling and high-velocity turnover operations at lower-level storage space, thereby enabling the performance of storage and transport tasks concurrently. This solution is highly adapted to the local warehouses with a height of 9 to 12 meters and demonstrated outstanding compatibility and efficiency in the intelligent transformation process of old warehouse facilities.

In terms of major client expansion, during the Reporting Period, we underwent multiple rounds of assessment of a globally renowned Swedish home goods retailer and officially entered its global shuttle system supplier directory, which in addition to being a major breakthrough in our international major client expansion efforts, also marked the recognition of the competitiveness of our intelligent warehousing equipment in the top global supply chain systems.

Riding on our first delivery of an intelligent intralogistics facility to a Japanese corporate client in collaboration with our Japanese business partner in 2025, which served as a benchmark and laid an important foundation for our Company to enter into the Japanese market, during the Reporting Period, we further secured new VFR projects in Japan with a leading global electronics manufacturer and a domestic furniture retailer, which marked our market presence in Japan. We seized the opportunities for Chinese enterprises expanding overseas and won the bid for a factory construction project of a Chinese manufacturer in Brazil in 2025, which was our first project in the South American market and serves as our strategic anchorage. We continued to make progress in our development of South American markets as we secured a new pallet shuttle project with a Brazilian food processing company in the Reporting Period.

BUSINESS REVIEW AND DEVELOPMENT

In terms of domestic market development, during the Reporting Period, we successfully completed a core exemplary project in the Chinese Mainland. The project, being the client's largest warehousing hub nationwide with industry-leading automation deployed, is 40% more efficient than traditional manual warehouses. The aggregate storage capacity of the warehouse exceeds 800,000 units, with a daily outbound processing capacity of 320,000 order lines, supporting a daily throughput of 60,000 items, and delivering to over 4,500 stores across 12 cities in the Pearl River Delta, while maintaining shipping accuracy and timely delivery rate above 99.9%. The project deployed various intelligent devices to handle most intralogistics scenarios, including 120 MSRs, 98 VFRs and a 15-kilometer-long automated conveyor track, the efficient coordination of which demonstrates our end-to-end service capabilities from planning, design, systematic integration to on-the-ground delivery. Our full-stack solution of "hardware + software + artificial intelligence" helps our customers to achieve full-process automation from inbound, stacking, storage, sorting, verification to outbound. This exemplary project fully illustrates our strengths in technology implementation and systematic delivery in large-scale and complex projects.

We will adhere to our R&D philosophy of "scenario-oriented, technology-based", continuously strengthen our integrated hardware and software technical edges, and pursue a long-term development path of "based in China, best in global".

BACKLOG AND BUSINESS OUTLOOK

As at June 30, 2026, we have achieved an aggregate backlog value of robots and systems of approximately RMB2.2 billion, which we expect to fulfill within the next three years, out of which 56 were ongoing overseas projects with an aggregate backlog value of RMB710 million. We remain focused on enriching our robot portfolio, expanding our market presence and deepening customer relationships to drive sustainable growth in both domestic and international markets. During the Reporting Period, our business opportunities from overseas increased substantially by 61.5%.

OUR STRATEGIES

Looking forward, we will adopt the following strategies, which we believe will further strengthen our core competitive strengths and enable us to capture rising business opportunities: (i) maintaining product innovation leadership through continued investment in R&D; (ii) strengthening overseas operations through selective market focus and localized execution; (iii) expanding into new industries and application scenarios while deepening penetration in core verticals; (iv) enhancing industry-chain collaboration to build a scalable intelligent intralogistics ecosystem; (v) continuing revenue growth; and (vi) enhancing our management and operating efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Financial Analysis

Revenue

During the Reporting Period, we generated revenue from (i) sales of our robots and systems, including (a) single-function robot deployment, which were projects centered on the delivery and deployment of our expanding product portfolio of proprietary robots, typically for further system integration; and (b) multi-function comprehensive systems, which were projects which we designed and deployed solutions using multiple robots and components, both proprietary and non-proprietary, typically as integrated turnkey systems; and (ii) after-sales service and others, including the provision of a range of post-warranty service packages to our customers that complement our sales of robots and systems. Scale of our projects exhibits considerable variation commensurate with the diverse operational demands of our customers.

For the Reporting Period, total revenue reached RMB504.9 million, representing an increase of 45.1% as compared to RMB348.0 million for the Corresponding Period.

Sales of Robots and Systems

Our revenue generated from sales of robots and systems increased by 43.8% from RMB342.3 million for the Corresponding Period to RMB492.2 million for the Reporting Period, primarily attributable to the increase in number of AMR deployment projects delivered in the PRC, and the increase in scale of our large-scale multi-function comprehensive system projects as compared to the Corresponding Period.

After-sales Service and Others

Our revenue generated from provision of after-sales and other services increased by 128.6% from RMB5.6 million for the Corresponding Period to RMB12.8 million for the Reporting Period, primarily attributable to a stronger demand for after-sales services which commensurate with the accumulated number of projects delivered.

Cost of Sales

During the Reporting Period, our cost of sales consisted of (i) material costs, representing the costs of components and equipment required for system integration and raw materials procured for the production of our intelligent intralogistics robots and systems; (ii) implementation costs, representing costs incurred to deploy and implement our robots and systems for our customers; (iii) manufacturing costs, primarily consisting of production overhead costs, and depreciation of manufacturing equipment and facilities; (iv) direct labor costs, primarily representing salaries and benefits for production staff; and (v) others, primarily including inventory provisions and taxes and surcharges.

Our cost of sales increased by 45.6% from RMB286.1 million for the Corresponding Period to RMB416.7 million for the Reporting Period, primarily reflecting the corresponding increase in project costs in line with the increased project deliveries.

Gross Profit and Gross Profit Margin

Our gross profit increased by 42.7% from RMB61.8 million for the Corresponding Period to RMB88.2 million for the Reporting Period, and the gross profit margin remained relatively stable at 17.5% for the Reporting Period, as compared to 17.8% for the Corresponding Period. The decrease in gross profit margin was primarily attributable to the increase in the share of revenue recognized from multi-function comprehensive systems, which generally incurred higher procurement costs for third-party equipment and components associated with system integration, as well as increased implementation costs associated with more complex system design and execution.

Other Income

During the Reporting Period, our other income primarily consisted of (i) government grants, mainly representing subsidies received from local governmental authorities to encourage our R&D activities; and (ii) value-added tax credits and tax refund, which mainly comprised the software-related tax refunds under the immediate levy and refund policy.

Our other income remained stable at RMB7.4 million for the Reporting Period, as compared to RMB7.5 million for the Corresponding Period. The decrease in government grants was offset by an increase in value-added tax credits and tax refunds.

Other Net (Loss)/Gain

During the Reporting Period, our other net loss primarily consisted of (i) net realized and unrealized gains from financial assets measured at fair value through profit or loss ("**FVTPL**"); (ii) net loss on disposal of property, plant and equipment; (iii) net foreign exchange (loss)/gain; and (iv) others, mainly representing incidental expenses and liabilities incurred during project execution.

We recorded other net gain of RMB1.0 million and other net loss of RMB8.0 million for the Corresponding Period and the Reporting Period, respectively. Such change was primarily attributable to net foreign exchange loss attributable to our HKD-denominated deposit during the Reporting Period.

Selling and Marketing Expenses

During the Reporting Period, our selling and marketing expenses consisted of (i) employee benefit expenses, primarily representing the salary and benefits for our sales and marketing personnel; (ii) business development and traveling expenses; (iii) warranty-related service expenses; (iv) advertising and promotion expenses; and (v) others, primarily related to rental expenses and depreciation and amortization of our property, plant and equipment and intangible assets used by our sales and marketing activities.

Our selling and marketing expenses increased by 53.2% from RMB20.1 million for the Corresponding Period to RMB30.8 million for the Reporting Period, primarily attributable to an increase in employee benefit expenses, business development and traveling expenses and warranty-related service expenses.

Administrative Expenses

During the Reporting Period, our administrative expenses consisted of (i) employee benefit expenses, primarily representing the salary and benefits for our administrative personnel; (ii) depreciation and amortization of our property, plant and equipment and intangible assets used by administrative personnel; (iii) rental expenses, primarily related to office premises, property management fees and utilities incurred by administrative personnel; (iv) professional service fees, primarily representing intermediary fees and consulting service fees in relation to our business operations; (v) conference and traveling expenses; (vi) office expenses, primarily related to procurement of office supplies and other consumable materials; (vii) Listing expenses; and (viii) others, primarily representing other expenses associated with daily business operations and management activities.

Our administrative expenses increased by 45.7% from RMB40.7 million for the Corresponding Period to RMB59.3 million for the Reporting Period, primarily attributable to the increase in post-Listing professional services fee.

R&D Expenses

R&D is core to our corporate culture. During the Reporting Period, our R&D expenses consisted of (i) employee benefit expenses, primarily representing the salary and benefits for our R&D personnel; (ii) traveling expenses relating to our R&D activities; (iii) depreciation and amortization of our property, plant and equipment and intangible assets used in R&D activities; (iv) R&D materials and consumables; (v) commissioned development and design expenses in relation to outsourced R&D activities to improve efficiency; and (vi) others, primarily representing other expenses associated with our daily R&D activities.

Our R&D expenses increased by 27.3% from RMB30.4 million for the Corresponding Period to RMB38.7 million for the Reporting Period, primarily attributable to the increased staff costs to support ongoing product and technology development.

Net Finance Income

During the Reporting Period, our finance income primarily consisted of interest income, and our finance costs primarily consisted of (i) interest on bank loans; and (ii) interest on lease liabilities.

Our net finance income increased by 161.5% from RMB1.3 million for the Corresponding Period to RMB3.4 million for the Reporting Period, primarily attributable to the increased interest income from bank deposits.

Income Tax

Our income tax expenses decreased from RMB1.0 million for the Corresponding Period to RMB0.1 million for the Reporting Period, in line with our assessable taxable income for the Reporting Period.

Loss for the Period

As a result of the above factors, our loss for the period decreased by RMB12.6 million from RMB85.9 million in the Corresponding Period to RMB73.3 million in the Reporting Period.

Non-IFRS Measures

We define adjusted net loss (non-IFRS measure) as loss for the period adjusted by adding back equity-settled share-based payment expenses, changes in the carrying amount of the redemption liability and Listing expenses.

To supplement our consolidated financial statements, we also use adjusted net loss (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with the IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe this measure 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 this non-IFRS measure as an analytical tool has limitations, and it should not be considered in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under the IFRS. The following table reconciles our adjusted net loss (non-IFRS measure) for the periods presented in accordance with the IFRS, which is net loss for the period:

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Loss for the period	**(73,252)**	(85,906)
Add:		
Equity-settled share-based payment expenses[1]	**1,233**	2,805
Changes in the carrying amount of the redemption liability[2]	**31,997**	66,085
Listing expenses	**14,410**	13,556
Adjusted net loss (non-IFRS measure)	**(25,612)**	(3,460)

Notes:

(1) Equity-settled share-based payment expenses are non-cash in nature.

(2) Changes in the carrying amount of the redemption liability represents the changes in the carrying amount of the redeemable special rights that we granted to certain Shareholders. Such changes are non-cash in nature. Upon completion of the Global Offering, the financial liabilities were re-designated from liabilities to equity as a result of the termination of such redeemable special rights of the investors.

Description of Selected Items of Consolidated Statement of Financial Position

Inventories

Our inventories decreased from RMB793.0 million as at December 31, 2025 to RMB607.5 million as at June 30, 2026, primarily due to the increased project completion and revenue recognition during the Reporting Period, which led to a reduction in work-in-progress and finished goods as inventories.

Trade and Other Receivables

Our trade and other receivables decreased from RMB384.9 million as at December 31, 2025 to RMB368.6 million as at June 30, 2026, primarily due to the settlement by our customers for completed projects.

We continuously strengthen our cash flow management, placing strong emphasis on maintaining healthy cash flow and minimizing credit risk. During the Reporting Period, we had not encountered any significant difficulties in collecting overdue trade receivables from customers.

Contract Assets

Our contract assets increased from RMB108.5 million as at December 31, 2025 to RMB127.7 million as at June 30, 2026, primarily because more major projects were completed and entered into warranty periods during the Reporting Period.

Prepayments

Our prepayments increased from RMB36.6 million as at December 31, 2025 to RMB74.6 million as at June 30, 2026 due to an increase in prepayment for inventories.

Financial Assets Measured at FVTPL

Our financial assets measured at FVTPL decreased from RMB62.5 million as at December 31, 2025 to RMB25.5 million as at June 30, 2026, primarily due to the redemption of wealth management products for working capital.

Restricted Cash

As at June 30, 2026, our bank deposits of RMB42.0 million were restricted for the principal purposes of issuance of bank acceptance bills and guarantee letters.

Cash and Cash Equivalents

Our cash and cash equivalents increased from RMB89.5 million as at December 31, 2025 to RMB641.3 million as at June 30, 2026, primarily due to the receipt of net proceeds from the Global Offering.

Trade and Other Payables

Our trade and other payables decreased from RMB598.0 million as at December 31, 2025 to RMB538.1 million as at June 30, 2026, primarily due to the increased settlement of trade payables in connection with project fulfillment.

Contract Liabilities

Our contract liabilities decreased from RMB496.1 million as at December 31, 2025 to RMB409.9 million as at June 30, 2026, primarily due to the project acceptance of certain major projects and the corresponding revenue recognition.

Non-Current Assets

Property, Plant and Equipment

During the Reporting Period, our property, plant and equipment primarily consisted of (i) plant and buildings; (ii) furniture; (iii) machinery and equipment; (iv) electronic equipment; (v) motor vehicles; and (vi) construction in progress. The changes in the carrying amount of our property, plant and equipment over time primarily reflect our management's strategic decisions regarding our production facilities, including both capacity expansion and facility optimization initiatives. As at June 30, 2026, our property, plant and equipment amounted to RMB100.8 million.

Right-of-use Assets

During the Reporting Period, our right-of-use assets primarily consisted of (i) land use rights; and (ii) plant and buildings. Our right-of-use assets increased from RMB20.3 million as at December 31, 2025 to RMB22.4 million as at June 30, 2026, primarily due to the entering into of new leases for office space in Shanghai.

Time Deposits

Our time deposits (non-current) increased from RMB50.5 million as at December 31, 2025 to RMB71.1 million as at June 30, 2026, primarily due to the maturity of short-term time deposits and investment in long-term time deposit.

Pledge of Assets

As at June 30, 2026, bank loans of approximately RMB42.1 million were secured by property, plant and equipment and land use rights of the Group with carrying amount of approximately RMB82.8 million. As at June 30, 2026, certain of the Group's time deposits with an aggregate value of RMB30.4 million were pledged to the banks to secure the issuance of bank acceptance bills and guarantee letters.

Contingent Liabilities

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

Liquidity and Capital Resources

We primarily financed our operations by cash generated from operating activities, bank loans and other borrowings. As at June 30, 2026, we had cash and cash equivalents of approximately RMB641.3 million. Going forward, we intend to finance our operations by cash generated from operating activities, bank loans and other borrowings and proceeds from the Global Offering in the manner set forth in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

We monitor our cash flows and cash balance on a regular basis and strive to maintain an optimum liquidity that can meet our working capital needs while supporting a viable business scale and future plans.

As at June 30, 2026, the sum of long-term bank loans amounted to RMB33.8 million, and the sum of short-term bank loans (repayable within one year or on demand) amounted to RMB36.3 million, and the interest rates of such bank loans ranged from 2.50% to 3.60% per annum. As at June 30, 2026, we had unutilized banking facilities of approximately RMB45.3 million. The bank loans and other borrowings are denominated in RMB. Our Group has complied with the financial covenants of the borrowings during the six months ended June 30, 2026. We have maintained sufficient liquidity to satisfy its day-to-day management and capital expenditure requirements and are able to control our internal operating cash flows.

We have established our own finance department with a team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit and internal control functions independently. We have adopted a treasury and investment policy which sets out overall principles as well as detailed approval processes of our investment activities. Such activities include, among other things, wealth management products, short or long-term loans, investments in subsidiaries, and other equity investments.

The H Shares have been listed on the Stock Exchange since the Listing Date. There has been no change in the capital structure of our Company since the Listing Date and up to the date of this interim report. The capital of our Company comprises ordinary Shares.

Capital Commitments and Capital Expenditure

As at June 30, 2026, we had no material capital commitment.

During the Reporting Period, the Group's capital expenditure amounted to RMB5.4 million, which primarily consisted of purchase of property, plant and equipment and intangible assets. We funded our capital expenditure requirements during the Reporting Period mainly from cash generated from operating activities, bank loans and other borrowings. We had an outstanding commitment contracted for acquisition of property, plant and equipment and intangible assets of approximately RMB1.2 million as at June 30, 2026.

We intend to fund our future capital expenditure and long-term investments with our existing cash balance, bank and other borrowings and the proceeds from the Global Offering (in the manner set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus). We may reallocate the funds to be utilized on capital expenditure and long-term investments based on our ongoing business needs.

Future Plans for Material Investments and Capital Assets

As at June 30, 2026, the Group has no specific plan for material investments and acquisition of capital assets. Please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus for the plan for application of proceeds raised from the Global Offering of the Company.

Selected Financial Ratios

The following table sets forth certain key financial ratios as at the dates indicated.

	As at	
	June 30, 2026	December 31, 2025
Current ratio[1]	**1.9**	0.5
Quick ratio[2]	**1.3**	0.3
Debt to equity ratio[3]	**(0.5)**	0

Notes:

(1) Current ratio represents current assets divided by current liabilities as at the same date.

(2) Quick ratio equals current assets, excluding inventories, divided by current liabilities as at the same date.

(3) Debt to equity ratio represents total bank loans and other borrowings and lease liabilities, less cash and cash equivalents, divided by total equity as at the relevant period end.

Exposure to Fluctuations in Foreign Exchange Rates

The Group mainly operates in the PRC with most of its transactions settled in RMB. The assets, liabilities and transactions arising from the operations are mainly denominated in RMB, while the net proceeds from the Global Offering are denominated in HK$. Fluctuations in the exchange rate between RMB and HK$ will affect the relative purchasing power in RMB in terms of the proceeds from the Global Offering.

Although the Group may be exposed to foreign currency exchange risks, the Board believes that the future currency fluctuations will not have a material impact on the Group's operations. The Group has formulated certain policies to monitor and manage its exposures to foreign currency exchange risks and the Group entered into foreign currency exchange forward contracts for the purpose of managing its exposure to the above-mentioned foreign exchange risks during the Reporting Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PRINCIPAL ACTIVITIES

We are an intelligent intralogistics robotics provider offering a diverse range of robots centered on three core product lines: multi-directional shuttle robots (MSRs), autonomous mobile robots (AMRs), and conveying and sorting robots (CSRs). Our robotics portfolio covers the entire spectrum of intralogistics operations, addressing the core functions of storage, sorting and transport.

There were no significant changes in the nature of our Group's principal activities during the Reporting Period. Please refer to Note 4 to the consolidated financial statements in this interim report for details of the principal activities of the principal subsidiaries of our Group. An analysis of our Group's revenue, other income and gains for the Reporting Period by principal activities is set out in the section headed "Management Discussion and Analysis" in this interim report and Notes 4 and 5 to the consolidated financial statements in this interim report.

PRINCIPAL RISKS AND UNCERTAINTIES

Our business and operation are subject to the following principal risks and uncertainties.

- Developments in alternative technologies may adversely affect the competitiveness of our products and systems, and our failure to anticipate or respond effectively to technological evolution could harm our business.

- The growth of our business depends on our ability to successfully integrate and improve technologies.

- The commercialization of our intelligent intralogistics robots and systems may not meet expectations, as the standards of and applications for robotic and AI technologies are constantly evolving, which may lead to unsatisfactory market performance and negatively affect our business operation.

- We cannot guarantee the successful implementation of our expansion into new industries and the development of new robots and systems. Any such failure could materially and adversely affect our business, future prospects and growth momentum.

- Our production process relies on components and raw materials that may be subject to price fluctuations or shortages.

- Any unexpected disruption of our production operations could materially and adversely affect our business, results of operations and financial condition.

- We may not be able to fully maintain quality control over our robots and systems, and any real or perceived material defects or errors in our robots and systems could harm our business operations.

Employees and Remuneration Policies

As at June 30, 2026, we had a total of 965 employees, substantially all of whom were based in China. The following table sets forth the number of our employees by function as at June 30, 2026.

Function	Number of Employees	% of Total
Implementation	274	28.39%
R&D	286	29.64%
Production and Supply Chain Management	244	25.28%
General and Administration	87	9.02%
Sales and Marketing	74	7.67%
Total	**965**	**100.00%**

The remuneration of our employees consists of basic salary and bonuses. Bonuses are generally discretionary and based in part on the overall performance of our business and in part on employee performance.

Our Company has also adopted certain share incentive and share option schemes to improve our incentive mechanism, attract and retain talents and motivate employees to ensure the achievement of our development goals. For further details, please refer to the subsection headed "Pre-IPO Share Option Schemes" in our annual report for the year ended December 31, 2025 published on April 27, 2026.

Recruitment Policies

We generally recruit our employees from the open market through placing recruitment advertisements. We endeavour to attract and retain appropriate and suitable personnel to serve our Group. We assess the available human resources on a continuous basis and will determine whether additional personnel are required to cope with the business development of our Group.

Training

We offer new employee orientation training, regular on-the-job training and access to online learning platforms to enhance the skills and knowledge of our employees.

Our employees have set up a labor union in China according to the relevant PRC labor law. We believe that we maintain a good working relationship with our employees, and we did not experience any material labor disputes or work stoppages or any difficulty in recruiting staff for our operations during the Reporting Period and up to the date of this interim report. No collective bargaining agreement has been put in place.

INTERIM DIVIDEND

During the Reporting Period, none of the Shareholders has waived or agreed to waive any dividends. Having due regard to the long-term interests of the Shareholders and our Company, the Board did not recommend the distribution of any interim dividend for the Reporting Period.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures. We ceased to consolidate a Russian entity during the Reporting Period following the disposal of our interests in the said entity, which did not have any material adverse effect on the operations and financial position of the Group.

Significant Investment and Material Event During the Reporting Period

During the Reporting Period, we did not have any significant investments (including any investment in an investee company with a value of 5% or more of our Group's total assets as at June 30, 2026).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares (as defined in the Listing Rules)) during the period from the Listing Date to June 30, 2026. As at June 30, 2026, the Company did not hold any treasury Shares (as defined in the Listing Rules).

CHANGE IN INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

After making specific enquiry by our Company and confirmed by the Directors, there has been no change to any information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

Our Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds from the Global Offering (after deducting the underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering) amounted to approximately HK$555.7 million. There is no change to the intended use of net proceeds and the expected implementation timetable as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

From the Listing Date to June 30, 2026, we had not utilized any net proceeds from the Global Offering. The following table sets out breakdown of the use of net proceeds from the Global Offering.

Use of net proceeds	% of net proceeds	Estimated net proceeds allocated as disclosed in the Prospectus (HK$ million)	Allocated net proceeds from the Global Offering (approximate HK$ million)	Net proceeds utilized up to June 30, 2026 (approximate HK$ million)	Expected timeline of full utilization of net proceeds	Remaining amount as at June 30, 2026 (approximate HK$ million)
Advancing our core robotics product lines (such as enhancing our existing products and developing new products)	24.5%	151.3	136.2	Nil	By 2031	136.2
R&D of our fundamental technologies (such as digital twin technology, large model technology and robotics technology incorporating AI techniques) and software capabilities development	20.5%	126.6	113.7	Nil	By 2031	113.7
Production capacity expansion and manufacturing capabilities enhancement (such as scaling up our manufacturing capacity and upgrading our production system	25.0%	154.4	138.9	Nil	By 2029	138.9
Execution of our global market expansion strategy	20.0%	123.5	111.1	Nil	By 2030	111.1
Working capital and other general corporate purposes to support our daily operations and overall business growth	10.0%	61.8	55.6	Nil	By 2031	55.6
	100.0%	617.5	555.7	–	–	555.7

INTERESTS AND SHORT POSITION OF EACH OF OUR DIRECTORS AND CHIEF EXECUTIVES IN SHARES AND UNDERLYING SHARES

As at June 30, 2026, the interests and short positions of our Directors and the chief executives of our Company in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Directors	Nature of interests[1]	Number of Shares	Approximate percentage of shareholding interests (%)
Dr. GU[2]	Beneficial owner	22,696,560	5.30
	Interest of controlled corporation	55,135,080	12.89
	Interest of spouse; Interests held jointly with another person	38,824,920	9.07
Dr. YANG[2]	Interest of controlled corporation	68,466,960	16.00
	Interest of spouse; Interests held jointly with another person	48,189,600	11.26
Mr. SHEN Lu[2]	Interest of controlled corporation	24,935,040	5.83
	Interests held jointly with another person	91,721,520	21.44
Mr. BAI Hongxing[3]	Beneficial owner	1,102,633	0.26

Notes:

(1) All interests stated are long positions.

(2) Pursuant to a series of concert party agreements, Dr. GU, Dr. YANG, Mr. SHEN Lu, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming and Jiaxing Gaile are parties acting in concert regarding decisions at the Board meetings and general meetings of our Company. Dr. GU and Dr. YANG are spouses. As such, under the SFO, each of them is deemed to be interested in the Shares in which the others are interested in.

(3) 1,102,633 restricted shares were granted to Mr. BAI Hongxing under the restricted share incentive scheme adopted by the Company in August 2019.

Save as disclosed above, as at June 30, 2026, none of our Directors or the chief executives of our Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) that were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept by our Company under Section 352 of the SFO, or as otherwise notified to the our Company and the Stock Exchange pursuant to the Model Code.

As at June 30, 2026, except Dr. GU, Dr. YANG, Mr. SHEN Lu and Mr. BAI Hongxing, each an executive Director, none of the Directors was a director or an employee of a company which had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

INTERESTS AND SHORT POSITION OF EACH OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2026, to the best knowledge of our Directors, the following persons (other than a Director or chief executive of our Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by our Company under Section 336 of the SFO:

Name	Nature of interests	Number of H Shares(1)	Approximate percentage of shareholding interests (%)
Ms. MA Lan(2)(3)	Beneficial owner	558,000	0.13
	Interests held jointly with another person	116,098,560	27.13
Jiaxing Jiumai(2)(4)	Beneficial owner	13,331,880	3.12
	Interest of controlled corporation	55,135,080	12.89
	Interests held jointly with another person	48,189,600	11.26
Jiaxing Huige(2)(5)	Beneficial owner	22,053,960	5.15
	Interests held jointly with another person	94,602,600	22.11
Jiaxing Rongming(2)(6)	Beneficial owner	33,081,120	7.73
	Interests held jointly with another person	83,575,440	19.53
Jiaxing Gaile(2)(7)	Beneficial owner	24,935,040	5.83
	Interests held jointly with another person	91,721,520	21.44
S.F. Taisen(8)	Interest of controlled corporation	55,135,080	12.89
S.F. Technology(8)	Beneficial owner	33,081,120	7.73
Suzhou Huidao(8)(12)	Beneficial owner	22,053,960	5.15
CICC Capital(9)	Interest of controlled corporation	39,687,120	9.28
Qirong(10)	Interest of controlled corporation	39,687,120	9.28
Qijiang(9)	Beneficial owner	24,324,480	5.68
CM Group(11)	Interest of controlled corporation	30,915,099	7.23
China Merchants Advanced Technology(11)	Beneficial owner	25,328,160	5.92
LIN Zheying(12)	Interest of controlled corporation	25,142,760	5.88
TopView Innovation(13)	Beneficial owner	22,660,200	5.30

Notes:

(1) All interests stated are long positions

(2) Pursuant to a series of concert party agreements renewed in May to June 2025, Dr. GU, Dr. YANG, Mr. SHEN Lu, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming and Jiaxing Gaile are parties acting in concert regarding decisions at the Board meetings and general meetings of our Company. As such, under the SFO, each of them is deemed to be interested in the Shares in which the others are interested in.

(3) Ms. MA Lan is deemed to be interested in 116,656,560 Shares, consisting of (i) 558,000 Shares held by herself; and (ii) 116,098,560 Shares held by Dr. GU, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming and Jiaxing Gaile, in which she is deemed to be interested as a result of being a concerting party with them.

(4) Jiaxing Jiumai is deemed to be interested in 116,656,560 Shares, consisting of (i) 13,331,880 Shares held by itself; (ii) 55,135,080 Shares held by Jiaxing Huige (a limited partnership for which Jiaxing Jiumai is the general partner) and Jiaxing Rongming (a limited partnership for which Jiaxing Jiumai is the general partner); and (iii) 48,189,600 Shares held by Dr. GU, Ms. MA Lan and Jiaxing Gaile, in which it is deemed to be interested as a result of being a concerting party with them.

(5) Jiaxing Huige is deemed to be interested in 116,656,560 Shares, consisting of (i) 22,053,960 Shares held by itself; and (ii) 94,602,600 Shares held by Dr. GU, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Rongming and Jiaxing Gaile, in which it is deemed to be interested as a result of being a concerting party with them.

(6) Jiaxing Rongming is deemed to be interested in 116,656,560 Shares, consisting of (i) 33,081,120 Shares held by itself; and (ii) 83,575,440 Shares held by Dr. GU, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige and Jiaxing Gaile, in which it is deemed to be interested as a result of being a concerting party with them.

(7) Jiaxing Gaile is deemed to be interested in 116,656,560 Shares, consisting of (i) 24,935,040 Shares held by itself; and (ii) 91,721,520 Shares held by Dr. GU, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige and Jiaxing Rongming, in which it is deemed to be interested as a result of being a concerting party with them.

(8) Shenzhen S.F. Taisen Holdings (Group) Inc. (深圳順豐泰森控股(集團)有限公司) ("**S.F. Taisen**") is deemed to be interested in 55,135,080 Shares, consisting of (i) 33,081,120 Shares held by S.F. Technology Co., Ltd. (順豐科技有限公司) ("**S.F. Technology**") (a company wholly owned by S.F. Taisen); (ii) 22,053,960 Shares held by Suzhou Huidao M&A Investment Fund Partnership (Limited Partnership) (蘇州匯道併購投資基金合夥企業(有限合夥)) ("**Suzhou Huidao**") (a limited partnership in which S.F. Taisen contributes more than one third of the limited partnership interests). S.F. Taisen is wholly owned by S.F. Holding Co., Ltd. (順豐控股股份有限公司) ("**S.F. Holding**"), a company listed on the Shenzhen Stock Exchange (stock code: 002352) and the Stock Exchange (stock code: 6936). As such, under the SFO, S.F. Holding is deemed to be interested in the Shares where S.F. Taisen is interested in.

(9) CICC Capital Operation Co., Ltd. (中金資本運營有限公司) ("**CICC Capital**") is deemed to be interested in 39,687,120 Shares, consisting of (i) 24,324,480 Shares held by CICC Gongying Qijiang (Shanghai) Kechuang Equity Investment Fund Partnership (L.P.) (中金共贏啟江(上海)科創股權投資基金合夥企業(有限合夥)) ("**Qijiang**") (a limited partnership for which CICC Capital is the general partner); and (ii) 15,362,640 Shares held by Qilu (Xiamen) Equity Investment Partnership (Limited Partnership) (啟鷺(廈門)股權投資合夥企業(有限合夥)) ("**Qilu**") (a limited partnership for which CICC Capital is the general partner). CICC Capital is wholly owned by CICC International Capital Corporation Limited (中國國際金融股份有限公司) ("**CICC**"), a company listed on the Shanghai Stock Exchange (stock code: 601995) and the Stock Exchange (stock code: 3908). As such, under the SFO, CICC is deemed to be interested in the Shares where CICC Capital is interested in.

(10) CICC Qirong (Xiamen) Equity Investment Fund Partnership (L.P.) (中金啟融(廈門)股權投資基金合夥企業(有限合夥)) ("**Qirong**") is deemed to be interested in 39,687,120 Shares, consisting of (i) 24,324,480 Shares held by Qijiang (a limited partnership in which Qirong contributes more than one third of limited partnership interests); and (ii) 15,362,640 Shares held by Qilu (a limited partnership in which Qirong contributes more than one third of limited partnership interests). Yatou Yinxin (Xiamen) Investment Management Co., Ltd. (亞投銀欣(廈門)投資管理有限公司) ("**Yatou Yinxin**"), a company owned as to 50% by each of ZHONG Zhen (仲貞) and HUANG Jiangzhen (黃江圳), holds more than one third of limited partnership interests in Qirong. As such, under the SFO, each of ZHONG Zhen, HUANG Jiangzhen and Yatou Yinxin is deemed to be interested in the Shares where Qirong is interested in.

(11) China Merchants Group Limited (招商局集團有限公司) ("**CM Group**") is deemed to be interested in 30,915,099 Shares, consisting of (i) 25,328,160 Shares held by China Merchants Advanced Technology Development (Shenzhen) Co., Ltd. (招商局先進技術開發(深圳)有限公司) (a company indirectly wholly owned by CM Group); and (ii) 5,586,939 Shares held by Wuxi Industrial Development Service Trade Investment Fund Partnership (L.P.) (無錫產發服務貿易投資基金合夥企業(有限合夥)) (a limited partnership whose general partner, China Merchants Helios Capital Management Co., Ltd. (深圳市招商金葵資本有限責任公司), is in turn controlled by CM Group as to 50%).

(12) Suzhou Huidao is a limited partnership established under the laws of the PRC and its general partner is Suzhou Ruihuang Equity Investment Management Limited Partnership (L.P.) (蘇州瑞璜股權投資管理合夥企業(有限合夥)) ("**Suzhou Ruihuang**"). The general partner of Suzhou Ruihuang is LIN Zheying (林哲瑩). Suzhou Gu Yu Ding Ruo Equity Investment Management Partnership Enterprise (Limited Partnership) (蘇州古玉鼎若股權投資管理合夥企業(有限合夥)) ("**Suzhou Guyu**") is a limited partnership established under the laws of the PRC and managed by its general partner Suzhou Gu Yu Hao Chen Equity Investment Management Partnership Enterprise (Limited Partnership) (蘇州古玉浩宸股權投資管理合夥企業(有限合夥)), which is ultimately controlled by LIN Zheying. As such, under the SFO, Suzhou Ruihuang is deemed to be interested in the Shares held by Suzhou Huidao, and LIN Zheying is deemed to be interested in the Shares held by Suzhou Huidao and Suzhou Guyu.

(13) Jiaxing Zhehua Summitview Investment Partnership (L.P.) (嘉興浙華武岳峰投資合夥企業(有限合夥)) ("**TopView Innovation**") is a limited partnership controlled by its general partner Jiaxing Summitview Energy Environmental Investment Management Partnership Enterprise (L.P.) (嘉興武岳峰能環投資管理合夥企業(有限合夥)) ("**Summitview Energy**"). Summitview Energy, also a limited partnership, is controlled by its general partner Jiaxing Summitview Investment Management Co., Ltd. (嘉興武岳峰投資管理有限公司) ("**Summitview Management**"). LI Feng (李峰) holds 80% equity interest in Summitview Management. As such, under the SFO, each of LI Feng, Summitview Management, Summitview Energy is deemed to be interested in the Shares held by TopView Innovation.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this interim report, neither the Company nor any of its subsidiaries entered into any arrangements during the Reporting Period that would enable any Director or their spouses or children under the age of 18 to benefit from acquiring shares or debentures of the Company or any other corporate body. Furthermore, no Director nor any of their spouses or children under the age of 18 was granted any rights to subscribe for equity or debt securities of the Company or any other corporate body, or had exercised any such rights.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to our Company and to the best knowledge of our Directors, at least 21.04% of the total issued Shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, was held by the public since the Listing Date and up to June 30, 2026.

BOARD COMMITTEES

We have established four Board committees, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee, for overseeing particular aspects of our affairs. Each of our Board committees operates under defined written terms of reference. The terms of reference of the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee are available on the websites of our Company and the Stock Exchange.

AUDIT COMMITTEE

Our Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises two independent non-executive Directors, namely, Mr. LAU Hak Lap (chairperson of the Audit Committee) and Mr. MO Rong, and one non-executive Director, namely, Mr. SHEN Qi. The Audit Committee has reviewed the unaudited consolidated financial information of the Group for the Reporting Period contained in this interim report and concluded that such financial information and this interim report had been prepared in accordance with applicable accounting standards and relevant requirements and had made adequate disclosure. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control measures with senior management members of the Company.

Pre-IPO Share Incentive Schemes

Our Company adopted a share incentive scheme in August 2019 which was further amended and approved in June 2025 (the "**2019 Share Incentive Scheme**"). This comprised a restricted share incentive scheme (the "**Restricted Share Incentive Scheme**") and a share option scheme (the "**2019 Pre-IPO Share Option Scheme**").

In May 2021, our Company adopted a share option scheme (the "**2021 Pre-IPO Share Option Scheme**", together with the 2019 Pre-IPO Share Option Scheme, the "**Pre-IPO Share Option Schemes**", and together with the Restricted Share Incentive Scheme, the "**Share Incentive Schemes**") which was further amended and approved in June 2025.

(A) Restricted Share Incentive Scheme

As at June 30, 2026, all restricted Shares under the Restricted Share Incentive Scheme were granted and 11,439,060 restricted Shares under the Restricted Share Incentive Scheme were held through our Employee Incentive Platforms. Details of the restricted Shares granted to Directors, senior management or connected persons under the Restricted Share Incentive Scheme are set out below:

			Awards held by the Participant corresponding to		
Name	**Position**	**Relevant Employee Incentive Platform**	**Approximate partnership interests of the Employee Incentive Platform at the beginning and the end of the Report Period**	**Approximate number of Shares corresponding to the restricted Shares held by the Participants at the beginning and the end of the Report Period**	**Approximate shareholding percentage corresponding to the restricted Shares held by the Participant in the total number of Shares in issue as at the end of the Report Period**
Directors and senior management					
BAI Hongxing	Executive Director and vice president	Jiaxing Yuxi	6.97%	1,102,633	0.26%
MA Lan	Vice president and chief human resource office	Jiaxing Yuxi	3.49%	551,751	0.13%
Connected persons					
KE Qi (Note 1)	Manager of human resource department	Jiaxing Hexi	2.25%	124,253	0.03%
ZHANG Lei (Note 2)	Assistant to the general manager of the business department	Jiaxing Yuuxi	7.30%	261,539	0.06%
XIANG Dingyu (Note 3)	Director of Anhui Galaxis	Jiaxing Yuxi	2.14%	338,871	0.08%
		Subtotal	**22.15%**	**2,379,047**	**0.56%**
Other employees		Jiaxing Hexi Jiaxing Yuxi, and Jiaxing Yuuxi	77.85%	9,060,013	2.11%
		Total	**100.00%**	**11,439,060**	**2.67%**

Notes:

(1) KE Qi (柯琪) is a supervisor at Hubei Galaxis Tongda Technology and thus a connected person of our Company at the subsidiary level.

(2) ZHANG Lei (張蕾) is a supervisor at Galaxis Wuxi, Guangdong Galaxis Jiadi and Zhejiang Galaxis International Trade and thus a connected person of our Company at the subsidiary level.

(3) XIANG Dingyu (向定宇) is the director at Anhui Galaxis and thus a connected person of our Company at the subsidiary level.

(B) Pre-IPO Share Option Schemes

As at June 30, 2026, the number of underlying Shares pursuant to the outstanding Share options granted under the Pre-IPO Share Option Schemes amounted to 7,820,526 Shares, representing approximately 1.83% of our issued Shares (or 2.74% of the weighted average number of ordinary Shares in the Reporting Period). No consideration is paid for grant of the outstanding Share options under the Pre-IPO Share Option Schemes.

The number of Share options available for grant under the Pre-IPO Share Option Schemes as at January 1, 2026 and June 30, 2026 was nil and nil, respectively. No further Share options shall be granted under the Pre-IPO Share Option Schemes. The Share options are subject to a waiting period, which shall be the period from the respective grant dates until the date following 12 months upon the Listing. Starting from the expiration of the waiting period, each 12-month period shall be regarded as an exercise tranche, and different exercise arrangements shall be applicable to each participant according to their seniority as set out in the Pre-IPO Share Option Schemes. Assuming full vesting and exercise of all outstanding Share options granted under the Pre-IPO Share Option Schemes, the shareholding of our Shareholders will be diluted by approximately 1.79%.

Below is a list of the grantees as at June 30, 2026:

Description of grantees	Position in our Group	Grant date	Number of Shares underlying the outstanding Share options as at the beginning of the Reporting Period	Vesting Period	Exercise Period	Exercise Price per Share (RMB)	Number of Shares underlying the outstanding Share options as at the end of the Reporting Period	Approximate % of issued Shares
Grantees who were Directors, members of senior management and connected persons of our Company under the Pre-IPO Share Option Schemes as of June 30, 2026								
Senior Management								
SONG Yao	Chief financial officer and secretary of the Board	June 6, 2025	868,035	(Note 1)	(Note 2)	3.2375	868,035	0.20%
Connected person								
KE Qi (Note 3)	Manager of human resource department	September 30, 2019	26,067	(Note 1)	(Note 2)	2.2672	26,067	0.01%
Other grantees who were our employees but not our Directors, members of senior management or connected persons of our Company under the Pre-IPO Share Option Schemes as of June 30, 2026								
Other 121 Employee Participants	N/A	September 30, 2019, August 31, 2021 and June 6, 2025	7,952,594	(Note 1)	(Note 2)	2.2672 or 3.2375	6,926,424 (Note 4)	1.62%

Notes:

(1) (i) Share options granted under the Pre-IPO Share Option Schemes in 2019 were vested in three equal tranches in 2020, 2022 and 2023, respectively, subject to the performance assessment requirements as set out in the Pre-IPO Share Option Schemes.

(ii) Share options granted under the Pre-IPO Share Option Schemes in 2021 were vested in three equal tranches in 2022, 2023 and 2024, respectively, subject to the performance assessment requirements as set out in the Pre-IPO Share Option Schemes.

(iii) Share options granted under the Pre-IPO Share Option Schemes in 2025 shall be vested in three tranches, with 30% vesting in 2026, 30% vesting in 2027, and 40% vesting in 2028, respectively, subject to the performance assessment requirements as set out in the Pre-IPO Share Option Schemes.

(2) 15 years commencing on the date of grant.

(3) KE Qi (柯琪) is a supervisor at Hubei Galaxis Tongda Technology and thus a connected person of our Company at the subsidiary level.

(4) Excluding seven employee participants with 64,510 Share options with an exercise price of RMB2.2672 and 961,660 Share options with an exercise price of RMB3.2375 granted which were forfeited following their departure from our Company during the Reporting Period.

COMPLIANCE WITH THE CG CODE

We are committed to achieving high standards of corporate governance with the aim of safeguarding the interests of our Shareholders. We have adopted the CG Code as our own code of corporate governance.

The roles of Chairman and Chief Executive Officer are currently performed by Dr. GU. In view of Dr. GU's substantial contribution to our Group since our establishment and his extensive experience, we consider that having Dr. GU acting as both our Chairman and Chief Executive Officer will provide strong and consistent leadership to our Group and facilitate the efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Dr. GU continues to act as both our Chairman and Chief Executive Officer, and therefore currently do not propose to separate the functions of Chairman and Chief Executive Officer. While this would constitute a deviation from code provision C.2.1 of the CG Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Dr. GU and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and the Shareholders as a whole and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether the separation of the roles of the Chairman and the Chief Executive Officer is necessary.

Throughout the period from the Listing Date to June 30, 2026, save as disclosed above, we have complied with all relevant principles and applicable code provisions under Part 2 of the CG Code.

The Board will review the corporate governance policies and compliance with the CG Code and other applicable legal and regulatory requirements at least annually in order to maintain a high standard of corporate governance of our Company and make appropriate changes if necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

We adopted the Model Code as our code of conduct regarding Directors' dealings in the Company's securities.

Having made specific enquiry with all of the Directors, all Directors confirmed that they have strictly complied with all relevant requirements set out in the Model Code from the Listing Date to June 30, 2026.

EVENTS AFTER THE REPORTING PERIOD

The Company is not aware of any significant event that might affect the Group since June 30, 2026 and up to the date of this interim report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2026 – unaudited

(Expressed in RMB)

		Six months ended June 30,	
		2026	2025
	Note	**RMB'000**	RMB'000
Revenue	*4*	**504,905**	347,981
Cost of sales		**(416,697)**	(286,148)
Gross profit		**88,208**	61,833
Other income	*5(a)*	**7,427**	7,476
Other net (loss)/gain	*5(b)*	**(7,971)**	991
Selling and marketing expenses		**(30,829)**	(20,054)
Administrative expenses		**(59,258)**	(40,718)
Research and development expenses		**(38,662)**	(30,364)
Impairment loss (recognized)/reversal on trade and other receivables and contract assets		**(3,432)**	665
Loss from operations		**(44,517)**	(20,171)
Net finance income	*6(a)*	**3,386**	1,331
Changes in the carrying amount of the redemption liability	*18*	**(31,997)**	(66,085)
Loss before taxation		**(73,128)**	(84,925)
Income tax	*7*	**(124)**	(981)
Loss for the period		**(73,252)**	(85,906)
Loss attributable to:			
Equity shareholders of the Company		**(81,255)**	(85,883)
Non-controlling interests		**8,003**	(23)
Loss for the period		**(73,252)**	(85,906)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2026 – unaudited

(Expressed in RMB)

	Note	Six months ended June 30, 2026 RMB'000	2025 RMB'000
Loss for the period		**(73,252)**	(85,906)
Other comprehensive income for the period (after tax):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**(24)**	(391)
Total comprehensive income for the period		**(73,276)**	(86,297)
Attributable to:			
Equity shareholders of the Company		**(81,279)**	(86,274)
Non-controlling interests		**8,003**	(23)
Total comprehensive income for the period		**(73,276)**	(86,297)
Loss per share			
Basic and diluted (RMB)	*8*	**(0.20)**	(0.22)

The notes on pages 40 to 60 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026 – unaudited

(Expressed in RMB)

	Note	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Non-current assets			
Property, plant and equipment	9	100,816	106,910
Right-of-use assets		22,382	20,297
Intangible assets		8,583	7,401
Time deposits	10	71,114	50,526
Prepayments	11(b)	337	78
		203,232	185,212
Current assets			
Inventories	12	607,513	793,018
Trade and other receivables	11(a)	368,605	384,877
Contract assets	13	127,706	108,460
Prepayments	11(b)	74,555	36,551
Financial assets measured at fair value through profit or loss	14	25,515	62,504
Income tax recoverable		12,919	13,040
Time deposits	10	23,329	49,424
Restricted cash	15	42,039	72,899
Cash and cash equivalents	15	641,324	89,549
		1,923,505	1,610,322
Current liabilities			
Trade and other payables	16	538,126	598,025
Contract liabilities		409,869	496,063
Bank loans	17	36,295	34,247
Lease liabilities		3,353	3,499
Redemption liabilities	18	–	1,834,670
Income tax payable		518	462
Provisions		14,726	15,093
		1,002,887	2,982,059
Net current assets/(liabilities)		920,618	(1,371,737)
Total assets less current liabilities		1,123,850	(1,186,525)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026 – unaudited

(Expressed in RMB)

	Note	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Non-current liabilities			
Bank loans	*17*	**33,766**	36,667
Lease liabilities		**3,654**	1,694
Deferred income		**5,850**	5,850
		43,270	44,211
NET ASSETS/(LIABILITIES)		**1,080,580**	(1,230,736)
CAPITAL AND RESERVES			
Share capital	*19(b)*	**427,884**	391,086
Reserves	*19(c)*	**649,361**	(1,617,154)
Total equity/(deficit) attributable to equity shareholders of the Company		**1,077,245**	(1,226,068)
Non-controlling interests		**3,335**	(4,668)
TOTAL EQUITY/(DEFICIT)		**1,080,580**	(1,230,736)

The notes on pages 40 to 60 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2026 – unaudited

(Expressed in RMB)

	Attributable to equity shareholders of the Company							
	Share capital RMB'000 *(note 19(b))*	Capital reserve RMB'000 *(note 19(c)(i))*	Share-based payment reserve RMB'000 *(note 19(c)(ii))*	Exchange reserve RMB'000 *(note 19(c)(iii))*	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total (deficit)/ equity RMB'000
Balance at January 1, 2026	391,086	(358,658)	17,307	(29)	(1,275,774)	(1,226,068)	(4,668)	(1,230,736)
Changes in equity for the six months ended June 30, 2026:								
Loss for the period	–	–	–	–	(81,255)	(81,255)	8,003	(73,252)
Other comprehensive income	–	–	–	(24)	–	(24)	–	(24)
Total comprehensive income	–	–	–	(24)	(81,255)	(81,279)	8,003	(73,276)
Expiration of the redemption rights upon the listing of the Company's shares *(Note 18)*	–	1,866,667	–	–	–	1,866,667	–	1,866,667
Issuance of ordinary shares relating to the Hong Kong public offering and international offering, netting of underwriting commissions and other issuance costs *(Note 19(b))*	36,798	479,894	–	–	–	516,692	–	516,692
Equity settled share-based payment expenses	–	–	1,233	–	–	1,233	–	1,233
Balance at June 30, 2026	427,884	1,987,903	18,540	(53)	(1,357,029)	1,077,245	3,335	1,080,580

The notes on pages 40 to 60 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2026 – unaudited

(Expressed in RMB)

	Attributable to equity shareholders of the Company							
	Share capital RMB'000 *(note 19(b))*	Capital reserve RMB'000 *(note 19(c)(i))*	Share-based payment reserve RMB'000 *(note 19(c)(ii))*	Exchange reserve RMB'000 *(note 19(c)(iii))*	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total deficit RMB'000
Balance at January 1, 2025	391,086	(358,658)	11,145	213	(1,103,326)	(1,059,540)	(6,219)	(1,065,759)
Changes in deficit for the six months ended June 30, 2025:								
Loss for the period	–	–	–	–	(85,883)	(85,883)	(23)	(85,906)
Other comprehensive income	–	–	–	(391)	–	(391)	–	(391)
Total comprehensive income	–	–	–	(391)	(85,883)	(86,274)	(23)	(86,297)
Equity settled share-based payment expenses	–	–	2,805	–	–	2,805	–	2,805
Balance at June 30, 2025 and July 1, 2025	391,086	(358,658)	13,950	(178)	(1,189,209)	(1,143,009)	(6,242)	(1,149,251)
Changes in deficit for the six months ended December 31, 2025:								
Loss for the period	–	–	–	–	(86,565)	(86,565)	1,574	(84,991)
Other comprehensive income	–	–	–	149	–	149	–	149
Total comprehensive income	–	–	–	149	(86,565)	(86,416)	1,574	(84,842)
Equity settled share-based payment expenses	–	–	3,357	–	–	3,357	–	3,357
Balance at December 31, 2025:	391,086	(358,658)	17,307	(29)	(1,275,774)	(1,226,068)	(4,668)	(1,230,736)

The notes on pages 40 to 60 form part of these financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended June 30, 2026 – unaudited

(Expressed in RMB)

		Six months ended June 30,	
		2026	2025
	Note	**RMB'000**	RMB'000
Operating activities			
Cash generated from/(used in) operations		**1,085**	(16,421)
Income tax paid		**(28)**	(5,991)
Net cash generated from/(used in) operating activities		**1,057**	(22,412)
Investing activities			
Payment for purchase of property, plant and equipment and intangible assets		**(5,411)**	(2,440)
Proceeds from disposal of property, plant and equipment and intangible assets		**2,596**	88
Payment for purchase of wealth management products		**(105,000)**	(107,495)
Proceeds from disposal of wealth management products		**143,074**	105,477
Proceeds from maturity of PRC treasury bonds		**–**	3,306
Payment for purchase of time deposits with maturity over three months		**(43,301)**	(65,499)
Proceeds from disposal of time deposits with maturity over three months		**49,494**	80,916
Disposal of a subsidiary		**(545)**	–
Interest received		**3,814**	622
Net cash generated from investing activities		**44,721**	14,975

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended June 30, 2026 – unaudited

(Expressed in RMB)

	Note	Six months ended June 30, 2026 RMB'000	2025 RMB'000
Financing activities			
Proceeds from bank loans		**27,938**	3,000
Repayment of bank loans		**(28,803)**	(7,294)
Payment of capital element of lease liabilities		**(2,255)**	(1,870)
Payment of interest element of lease liabilities		**(126)**	(144)
Interest of bank loans paid		**(1,125)**	(1,028)
Proceeds from shares issued		**540,131**	–
Payment of listing expenses		**(21,304)**	(599)
Net cash generated from/(used in) financing activities		**514,456**	(7,935)
Net increase/(decrease) in cash and cash equivalents		**560,234**	(15,372)
Cash and cash equivalents at January 1		**89,549**	111,191
Effect of foreign exchange rate changes		**(8,459)**	597
Cash and cash equivalents at June 30	*15*	**641,324**	96,416

The notes on pages 40 to 60 form part of these financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

Zhejiang Galaxis Technology Group Co., Ltd. (浙江凱樂士科技集團股份有限公司, formerly known as 浙江凱樂士科技有限公司, the "**Company**") was established in the People's Republic of China (the "**PRC**") on October 20, 2016 as a limited liability company under the Companies Laws of the Chinese Mainland. The Company was converted into a joint stock limited liability company on July 13, 2021. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on March 24, 2026 (the "**Listing**").

The Company and its subsidiaries (together, "**the Group**") are principally engaged in the research and development, production of logistics robots and intelligent logistics equipment and systems.

2 BASIS OF PREPARATION

The interim financial report of the Company as at and for the six months ended June 30, 2026 comprise the Company and its subsidiaries. The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on August 28, 2026.

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

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

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

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are providing sales of robots and systems and after-sales service and others.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
Revenue from sales of robots and systems	**492,151**	342,332
Revenue from after-sales service and others	**12,754**	5,649
	504,905	347,981

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Disaggregation by timing of revenue recognition		
Point in time	**493,153**	341,524
Over time	**11,752**	6,457
	504,905	347,981

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 4(b)(i).

4 REVENUE AND SEGMENT REPORTING (Continued)

(a) Revenue (Continued)

(i) Disaggregation of revenue (Continued)

During the six months ended June 30, 2026 and 2025, the Group's customers with whom transactions have exceeded 10% of the Group's revenue in the respective period are as follows.

	Six months ended June 30, 2026 RMB'000	2025 RMB'000
Customer A	**156,432**	*
Customer B	**101,756**	*
Customer C	**83,426**	*

* Represents that the amount of aggregate revenue from such customer is less than 10% of the total revenue for respective period.

The Group takes advantage of the practical expedient in paragraph 121 of IFRS 15 and does not disclose the remaining performance obligation as all of the Group's sale contracts have an original expected duration of less than 1 year.

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. The Group has one single operating segment and no further analysis of the single segment is presented.

(i) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

Revenues from external customers

	Six months ended June 30, 2026 RMB'000	2025 RMB'000
Chinese Mainland	**496,660**	320,362
Outside Chinese Mainland	**8,245**	27,619
	504,905	347,981

The non-current assets located outside Chinese Mainland are immaterial.

5 OTHER INCOME AND OTHER NET (LOSS)/GAIN

(a) Other income

	Six months ended June 30, 2026 RMB'000	2025 RMB'000
Government grants	**847**	3,345
Value-added tax credits	**2,196**	2,943
Tax refund	**4,218**	1,188
Others	**166**	–
	7,427	7,476

(b) Other net (loss)/gain

	Six months ended June 30, 2026 RMB'000	2025 RMB'000
Net realized and unrealized gains from financial assets measured at fair value through profit or loss	**1,085**	825
Net loss on disposal of property, plant and equipment	**(845)**	(272)
Net foreign exchange (loss)/gain	**(8,584)**	983
Others	**373**	(545)
	(7,971)	991

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after (charging)/crediting:

(a) Net finance income

	Six months ended June 30, 2026 RMB'000	2025 RMB'000
Interest on bank loans	**(1,137)**	(1,006)
Interest on lease liabilities	**(126)**	(144)
Finance costs	**(1,263)**	(1,150)
Interest income	**4,649**	2,481
	3,386	1,331

(b) Staff costs

	Six months ended June 30, 2026 RMB'000	2025 RMB'000
Salaries, wages and other benefits	**88,105**	75,049
Contributions to defined contribution retirement schemes	**5,464**	3,896
Equity-settled share-based payment expenses	**1,233**	2,805
	94,802	81,750

Employees of the Group's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government.

The Group's subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

All overseas subsidiaries of the Group are subject to the statutory enterprise contribution retirement scheme under the laws of the countries/jurisdictions.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

6 LOSS BEFORE TAXATION (Continued)

(c) Other items

	Six months ended June 30, 2026 RMB'000	2025 RMB'000
Cost of inventories *(note 12)*	**416,697**	286,148
Depreciation charge		
– property, plant and equipment	**5,020**	4,879
– right-of-use assets	**1,987**	1,950
Amortization cost of intangible assets	**1,069**	1,404
Increase in provisions	**6,450**	2,824
Impairment loss recognized/(reversal) on trade and other receivables and contract assets	**3,432**	(665)
Research and development expenses	**38,662**	30,364
Listing expenses	**14,410**	13,556

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended June 30, 2026 RMB'000	2025 RMB'000
Current tax		
Provision for the year	**124**	981

Notes:

(i) Income tax rate applies to the Group

According to the Corporate Income Tax Law of China (the "Tax Law"), the Group's subsidiaries in the PRC are subject to statutory income tax rate of 25%, except for those which qualify as High and New Technology Enterprise ("HNTE") are entitled to a preferential tax rate of 15% provided it continues to meet HNTE qualification standards on an annual basis.

For the Hong Kong subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Taxation for subsidiaries incorporated in other jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant countries.

(ii) An additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the Tax Law and its relevant regulations after October 1, 2022.

8 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the interim period, calculated as follows:

(i) Loss attributable to ordinary equity shareholders of the Company

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Loss attributable to all equity shareholders of the Company	**(81,255)**	(85,883)
Allocation of loss attributable to ordinary shares with redemption right *(note 18)*	**24,878**	60,266
Loss attributable to ordinary equity shareholders of the Company	**(56,377)**	(25,617)

(ii) Weighted average number of ordinary shares

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Issued ordinary shares at January 1	**391,086**	391,086
Effect of shares issued in connection with initial public offering	**19,924**	–
Effect of ordinary shares with redemption right *(note 18)*	**(125,843)**	(274,429)
Weighted average number of ordinary shares at June 30	**285,167**	116,657

(b) Diluted loss per share

During the six months ended June 30, 2026 and 2025, share options granted under employee incentive schemes and ordinary shares with redemption right (note 18) were not included in the calculation of diluted loss per share because their inclusion would have been anti-dilutive. The Company does not have other potential ordinary shares and therefore the amounts of diluted loss per share were the same as basic loss per share.

9 PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals of owned assets

During the six months ended June 30, 2026, the Group acquired items of property, plant and equipment with a cost of RMB2,068,000 (six months ended June 30, 2025: RMB437,000). Items of property, plant and equipment with a net book value of RMB3,142,000 were disposed of during the six months ended June 30, 2026 (six months ended June 30, 2025: RMB350,000), resulting in a loss on disposal of RMB845,000 (six months ended June 30, 2025: RMB272,000).

10 TIME DEPOSITS

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Current		
Time deposits	**23,329**	49,424
Non-current		
Time deposits	**71,114**	50,526

The time deposits with maturity over three months but within one year are presented in the current portion, while the time deposits with maturity over one year are presented in the non-current portion.

As at June 30, 2026, certain of the Group's time deposits with an aggregate value of RMB30,444,000 (December 31, 2025: RMB10,191,000) were pledged to the banks to secure the issuance of bank acceptance bills and guarantee letters.

11 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

(a) Trade and other receivables

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Bills receivables	**13,709**	19,303
Trade receivables		
– Related parties *(note 21(b))*	**2,320**	3,316
– Third parties	**315,105**	330,025
Gross amount of trade and bills receivables	**331,134**	352,644
Less: loss allowance	**(37,812)**	(39,856)
	293,322	312,788
Bank acceptance notes receivable, carried at fair value through other comprehensive income ("FVOCI")	**11,006**	1,432
Pledge and guarantee deposits*	**22,338**	25,070
Value-added tax recoverable and receivables	**41,660**	42,283
Other receivables	**4,640**	3,304
Less: loss allowance	**(4,361)**	–
	75,283	72,089
	368,605	384,877

* Pledge and guarantee deposits mainly represented tender deposits and performance deposits which will be released to the Group upon the award and the completion of the relevant projects as the case may be.

11 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(a) Trade and other receivables (Continued)

Ageing analysis

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

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Within one year	**203,398**	236,940
Between one year and two years	**74,301**	57,212
Between two years and three years	**5,004**	1,279
Between three years and four years	**10,619**	17,357
	293,322	312,788

Bank acceptance notes receivable, carried at FVOCI

Due to the requirement of cash management, the Group endorsed or discounted part of the bank acceptance notes receivable to the suppliers or from bank. The business model of bank acceptance notes management is for the purpose of collecting cash flow of contracts and sales. Therefore, as at June 30, 2026, the Group classified bank acceptance notes receivable of RMB11,006,000 (December 31, 2025: RMB1,432,000) as bank acceptance notes receivable carried at fair value and whose changes were included in other comprehensive income.

(b) Prepayments

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Non-current		
Prepayments for property, plant and equipment and intangible assets	**337**	78
Current		
Prepayments		
– Prepayments for Listing expenses	**–**	1,633
– Prepayments for inventories	**60,795**	31,563
– Prepayments for expenses	**13,760**	3,355
	74,555	36,551

12 INVENTORIES

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Raw materials	79,134	54,117
Finished goods and work in progress	547,913	761,642
Less: write-down of inventories	(19,534)	(22,741)
	607,513	793,018

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

	Six months ended June 30,	
	2026 RMB'000	2025 RMB'000
Carrying amount of inventories sold	419,904	278,596
(Reversal)/write-down of inventories	(3,207)	7,552
	416,697	286,148

13 CONTRACT ASSETS

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Contract assets	137,970	117,613
Less: allowance for credit losses	(10,264)	(9,153)
	127,706	108,460

The Group typically agrees to a 1 year to 3 years retention period for 5% or 10% of the contract value of sales contract. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's products keep properly functioning during the retention period.

14 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Wealth management products *(i)*	**25,013**	62,504
Foreign exchange forward contracts *(ii)*	**502**	–
	25,515	62,504

(i) The amount represents investments in wealth management products issued by reputable financial institutions in Chinese Mainland. There are no fixed or determinable returns of these wealth management products.

(ii) The Group purchased foreign currency exchange forward contracts to hedge its foreign currency exchange rate fluctuation. The market value of these contracts are based on quoted market prices at the reporting date.

15 RESTRICTED CASH AND CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Cash at bank	**683,363**	152,440
Time deposits with initial terms within three months	**–**	10,008
	683,363	162,448
Less: Restricted bank balances *(i)*	**(42,039)**	(72,899)
	641,324	89,549

(i) As at June 30, 2026, the Group's cash and bank balances with restriction in use mainly comprise of (1) bank deposits frozen as a result of the litigations relating to certain disputes with suppliers of RMB3,854,000 (December 31, 2025: RMB26,240,000), the frozen deposits will be released upon the litigations are resolved; (2) security deposit placed in bank for the issuance of bank acceptance bills of RMB31,337,000 (December 31, 2025: RMB38,013,000), the security deposit will be released upon settlement or maturity of the relevant bank acceptance bills; (3) security deposit placed in bank for the issuance of guarantee letter of RMB6,848,000 (December 31, 2025: RMB8,646,000), the security deposit will be released upon the expiration of the guarantee letter.

16 TRADE AND OTHER PAYABLES

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Trade payables		
– Third parties	**323,363**	419,245
– Related parties	**2,192**	3,036
Bills payable	**167,414**	121,521
	492,969	543,802
Other payables and accruals		
– Third parties	**8,378**	5,098
Listing expense payable	**8,429**	1,772
Financial liabilities measured at amortised cost	**509,776**	550,672
Accrued payroll and other benefits	**19,063**	25,536
Other taxes and charges payable	**9,287**	21,817
	538,126	598,025

The amounts due to related parties are unsecured and interest-free. Details of the amounts due to related parties are set out in note 21(b).

As of the end of the reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Within 1 year	**383,050**	387,112
Between 1 year and 2 years	**79,033**	105,941
Between 2 years and 3 years	**14,548**	31,687
Over 3 years	**16,338**	19,062
	492,969	543,802

17 BANK LOANS

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Bank loans		
– Secured (a)	**42,081**	47,294
– Unsecured	**27,980**	23,620
	70,061	70,914

As at June 30, 2026, the Group's bank loans bore interest ranging from 2.50% to 3.60% per annum (December 31, 2025: 2.50% to 3.60% per annum).

(a) Assets pledged as security for bank loans

As at June 30, 2026, bank loans of RMB42,081,000 (December 31, 2025: RMB47,294,000) of the Group were secured by property, plant and equipment and land use right of the Group with carrying amount of RMB82,792,000 (December 31, 2025: RMB84,643,000).

(b) The analysis of the repayment schedule of bank loans is as follows:

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Within 1 year or on demand	**36,295**	34,247
More than 1 year	**33,766**	36,667
	70,061	70,914

As at June 30, 2026, bank loans of RMB3,502,000 (December 31, 2025: RMB6,005,000) of the Group were subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which were tested periodically, as were commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the related loans would become payable on demand. There was no non-compliance with loan covenants as at June 30, 2026 and December 31, 2025 and none of the bank loans were classified as non-current according to repayment schedule as at June 30, 2026 and December 31, 2025.

18 REDEMPTION LIABILITIES

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Redemption liabilities	–	1,834,670

From August 23, 2014 to November 1, 2022, the Company conducted several rounds of financing by issuing shares to investors.

The investors are entitled to the same voting rights and dividend rights as other shareholders of the Company. They were also granted with preferential rights when they entered into the investment agreements with the Company. The key terms of preferential rights are summarised as follows:

Redemption rights

The investors shall have the right to put back to the Company the shares acquired upon the occurrence of specified triggering events, including a qualified initial public offering ("IPO") not being completed by December 31, 2024; or a breach of the investment agreements by the Company or its controlling shareholder.

The redemption price is the sum of 100% of the issue price, a compound interest of 8% per annum, and any declared but unpaid dividends.

Liquidation Preference

In the event of a liquidation, dissolution or winding up of the Company, all assets and funds of the Company legally available for distribution shall be distributed as follows:

(a) firstly, to the series E investors, at the subscription price paid by the series E investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(b) secondly, to the series D investors, at the subscription price paid by the series D investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(c) thirdly, to the series C investors, at the subscription price paid by the series C investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(d) fourthly, to the series B investors, at the subscription price paid by the series B investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(e) fifthly, to the series A investors, at the subscription price paid by the series A investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(f) any remaining assets and funds shall be distributed rateably among all shareholders (including the investors) on a pro-rata basis.

18 REDEMPTION LIABILITIES (Continued)

Liquidation Preference (Continued)

The Company's obligation to buy back its own shares for cash gives rise to a financial liability.

Pursuant to the shareholders' resolution approved on June 25, 2025, all preferential rights would be terminated on the day immediately prior to the Listing date except that the redemption rights were terminated on the day prior to the first submission of the Listing application, but would become exercisable upon (i) the Company voluntarily withdrawing the Listing application; (ii) the regulatory authorities rejecting or refusing to approve the Listing application; or (iii) the earlier of December 31, 2026 or the expiry of 18 months following the first submission of the Listing application, if the Listing could not have been completed by that time. The aforesaid amendments did not change the classification of these financial instruments in the consolidated statements of financial position.

Pursuant to the shareholders' agreement, the preferential rights include, among others, (i) right to appoint directors; (ii) pre-emptive right; (iii) right of first refusal and co-sale; (iv) anti-dilution adjustment rights; (v) redemption rights; (vi) liquidation preferences; and (vii) information and inspection rights.

Upon the Listing, the redemption rights have automatically expired and the carrying amount of the redemption liabilities was transferred to "Capital reserve" within equity.

The movements of the redemption liabilities are set out as below:

	Redemption liabilities RMB'000
As at January 1, 2025	1,698,768
Changes in the carrying amount	135,902
As at December 31, 2025 and January 1, 2026	1,834,670
Changes in the carrying amount	31,997
Expiration of the redemption rights upon the listing of the Company's shares	(1,866,667)
As at June 30, 2026	–

19 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during the six months ended June 30, 2026 and 2025.

(b) Share capital

	Number of original shares '000	Share capital RMB'000
Issued and fully paid		
Balance as at January 1, 2025, December 31, 2025 and January 1, 2026	**391,086**	391,086
H share initial public offering *(Note)*	**36,798**	36,798
Balance as at June 30, 2026	**427,884**	427,884

Note:

On March 24, 2026, the Company issued 36,798,000 H shares with par value of RMB1.00, at a price of HKD16.66 per share by initial public offering. The proceeds equivalent to RMB36,798,000, representing the par value, were credited to the Company's share capital. The remaining proceeds, after deducting the share issuance expenses, equivalent to RMB479,894,000 were credited to the share premium in capital reserve account.

(c) Nature and purpose of reserves

(i) Capital reserve

The capital reserve comprises: (i) the differences between the net considerations received and the nominal amount of share capital issued by the Company; (ii) the differences between the net assets received and the total amount of the par value of shares issued in relation to the conversion into a joint stock company; (iii) the amounts in relation to the recognition of the redemption liabilities as set out in note 18; and (iv) merger reserve arose from business combination under common control.

(ii) Share-based payment reserve

The share-based payment reserve comprises the portion of difference between the fair value of shares granted and the consideration paid by the directors and employees of the Group.

(iii) Exchange reserve

The exchange reserve comprises all relevant exchange differences arising from the translation of the financial statements of operations with functional currency other than RMB.

20 COMMITMENTS

Commitments outstanding at the end of each reporting period not provided for in the financial statements were as follows:

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Contracted for acquisition of property, plant and equipment and intangible assets	**1,183**	34

21 MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2026 and 2025, transactions with the following parties are considered as related party transactions

Name of related party	Relationship with the Group
Sichuan Wulianyida Science and Technology Co., Ltd.* 四川物聯億達科技有限公司	Entity controlled by Mr. Gu Chunguang
S.F. Technology Co., Ltd.* 順豐科技有限公司	Entity with significantly influence in the Company
Hubei SF Express Co., Ltd.* 湖北順豐速運有限公司	Entity with significantly influence in the Company
S.F. Express (Dongguan) Co., Ltd.* 順豐速運(東莞)有限公司	Entity with significantly influence in the Company
Anhui new automation equipment Co., Ltd.* 安徽紐創自動化設備股份有限公司	Entity controlled by the ultimate controlling party of non-controlling shareholder of the Company's subsidiary
Shanghai Aijiayu Automation Industry Technology Co., Ltd.* 上海艾加昱自動化工業技術有限公司	Entity controlled by the ultimate controlling party of non-controlling shareholder of the Company's subsidiary

* The official name of this entity is in Chinese. The English translation is for identification purpose only.

(a) Other transactions with related parties

	Six months ended June 30,	
	2026 RMB'000	2025 RMB'000
Trade in nature:		
Sales of goods and service		
– Hubei SF Express Co., Ltd.	**55**	10
– S.F. Express (Dongguan) Co., Ltd.	**454**	185
Purchase of goods and service		
– Sichuan Wulianyida Science and Technology Co., Ltd.	**–**	1,370

21 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

	June 30, 2026 RMB'000		December 31, 2025 RMB'000	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Trade in nature:				
Trade and other receivables				
– S.F. Technology Co., Ltd.	1,286	100	2,211	66
– Hubei SF Express Co., Ltd.	29	1	167	5
– S.F. Express (Dongguan) Co., Ltd.	310	9	243	8
– Shanghai Aijiayu Automation Industry Technology Co., Ltd.	695	695	695	695
	2,320	805	3,316	774

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Trade in nature:		
Trade and other payables		
– Sichuan Wulianyida Science and Technology Co., Ltd.	1,343	1,343
– S.F. Technology Co., Ltd.	–	844
– Anhui new automation equipment Co., Ltd.	849	849
	2,192	3,036

	June 30, 2026 RMB'000	December 31, 2025 RMB'000
Trade in nature:		
Contract liabilities		
– S.F. Technology Co., Ltd.	23,450	23,450
– S.F. Express (Dongguan) Co., Ltd.	751	49
	24,201	23,499

22 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED JUNE 30, 2026

A number of amendments and new standards are not yet mandatory for annual periods beginning January 1, 2026. Earlier application is permitted; however, the Group has not early adopted any new or amended standards in preparing this interim financial report.

The following updates the information provided in the last annual financial statements about the possible impacts of IFRS 18 which may have a significant impact on the Group's consolidated financial statements when adopted.

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1, *Presentation of financial statements*, and is first effective for annual reporting periods beginning on or after January 1, 2027.

IFRS 18 introduces new requirements for presentation and disclosure in financial statements, including new categories and defined subtotals in the statement of profit or loss, enhanced requirements for aggregation and disaggregation of information, and specific disclosures about management-defined performance measures. The Group is assessing the expected impact that the initial application of IFRS 18 will have on its consolidated financial statements.

The Group expects that the adoption of IFRS 18 will not change the Group's net assets or net profit. However, it is expected to affect the presentation of the Group's consolidated statement of profit or loss and related note disclosures. Based on the work performed to date, the Group's assessment on the expected impact of the initial application of IFRS 18 is summarised below. The assessment remains subject to change as the Group continues its implementation work.

(a) Structure of the statement of profit or loss

IFRS 18 requires entities to classify income and expenses into specified categories in the statement of profit or loss, including operating, investing, and financing categories. It also requires entities to present two newly defined subtotals, which are "operating profit" and "profit or loss before financing and income taxes". The operating profit subtotal is expected to differ from the current profit from operations subtotal presented by the Group. Based on the work performed to date, the Group also expects the following changes to the consolidated statement of profit or loss:

- Classification of income and expenses depends on the Group's main business activities;
- Interest income (currently included in net finance income line item) and net realized and unrealized gains from financial assets measured at fair value through profit or loss (currently included in other net (loss)/gain line item) are expected to be classified in the investing category. The income and expenses classified in the investing category, together with the subtotal "operating profit", will form the new subtotal "profit or loss before financing and income taxes";
- The Group is required to assess the classification of foreign exchange differences in the same category as the income and expenses from the items that gave rise to the differences, unless doing so would involve undue cost or effort; and
- The Group currently presents operating expenses by function. The Group is assessing whether its current presentation, or a mixed presentation by nature and function, will provide the most useful structured summary of its operating expenses under IFRS 18. If the Group continues to present one or more operating expense line item by function, information about five specific expenses by nature will be provided in a single note to the financial statements.

22 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED JUNE 30, 2026 (Continued)

(b) Management-defined performance measures ("MPM")

MPMs are subtotals of income and expenses used in public communications outside the financial statements that communicate management's view of an aspect of the financial performance of the entity as a whole to users. The Group is currently developing a process to identify its public communications and assess which measures reported in those communications meet the definition of a MPM.

The Group will be required to disclose specific information about MPMs in a single note in the financial statements. The MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the same reporting period.

(c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the financial statements, including the primary financial statements and the notes. It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group has been consistently applied the principles of aggregating and disaggregating the items on the basis of similar and dissimilar characteristics. The Group is also assessing line items currently labelled as "other" across the primary financial statements and the notes and expects to use more informative labels where material information would otherwise be obscured.

IFRS 18 also introduces consequential amendments to IAS 7, *Statement of cash flows*. The Group is assessing the impact of those amendments, including the requirement to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method and the classification of interest and dividend cash flows.

The actual impact of applying IFRS 18 may change as the Group continues to assess the new requirements and finalises any changes to its reporting processes, controls and accounting policies before the date of initial application.