

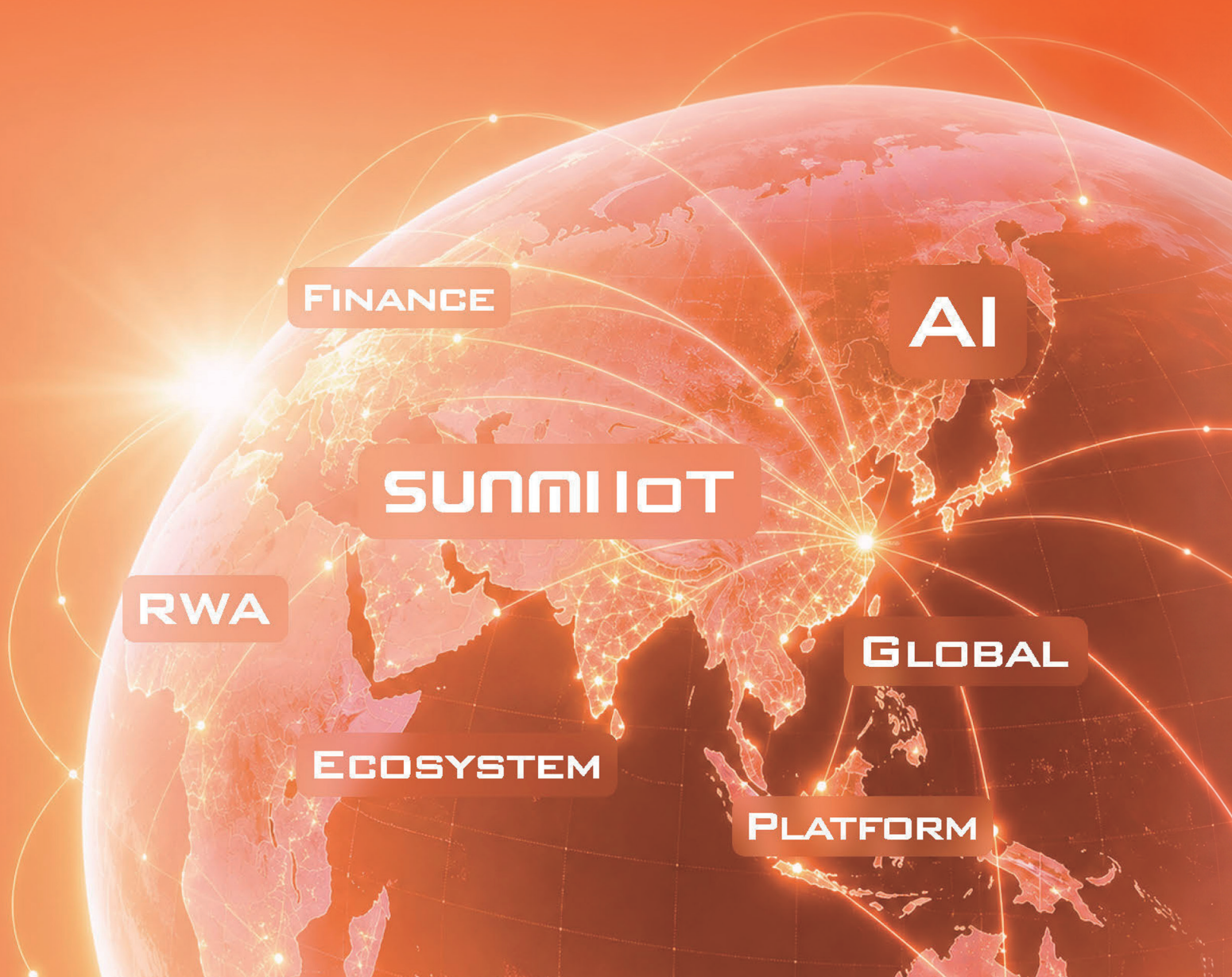
SUNMI

SHANGHAI SUNMI TECHNOLOGY CO., LTD.

2026 INTERIM REPORT

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

Stock Code: 6810



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Lin Zhe (林喆)
Mr. Chen Xiaojing (陳肖旌)
Mr. Zhang Jinpu (張金普)
Mr. Chen Guihong (陳桂鴻)

Non-executive Directors

Mr. Wang Huan (王歡)
Ms. Zhang Yi (張一)

Independent Non-executive Directors

Mr. Li Shihong (李詩鴻)
Ms. Wang Xia (王霞)
Mr. Poon Wing Shing, Anthony (潘永誠)

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JOINT COMPANY SECRETARIES

Mr. Chen Xiaojing (陳肖旌)
Mr. Wong Chun Wing Samuel (黃俊穎)

AUTHORIZED REPRESENTATIVES

Mr. Lin Zhe (林喆)
Mr. Chen Xiaojing (陳肖旌)

AUDIT COMMITTEE

Ms. Wang Xia (王霞) (*Chairwoman*)
Mr. Li Shihong (李詩鴻)
Mr. Poon Wing Shing, Anthony (潘永誠)

NOMINATION COMMITTEE

Mr. Li Shihong (李詩鴻) (*Chairman*)
Mr. Zhang Jinpu (張金普)
Ms. Wang Xia (王霞)

REMUNERATION COMMITTEE

Mr. Poon Wing Shing, Anthony (潘永誠) (*Chairman*)
Mr. Lin Zhe (林喆)
Mr. Li Shihong (李詩鴻)

CORPORATE GOVERNANCE COMMITTEE

Mr. Li Shihong (李詩鴻) (*Chairman*)
Ms. Wang Xia (王霞)
Mr. Poon Wing Shing, Anthony (潘永誠)

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Corporate Information

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STOCK CODE

6810

COMPANY WEBSITE

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Business Overview

BUSINESS REVIEW FOR THE REPORTING PERIOD

Shanghai Sunmi Technology Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) continued to maintain a leading position in the global Business Internet of Things (“**BloT**”) market. The Company’s integrated solution offering of “smart devices + SUNMI OS + BloT Platform as a Service (“**PaaS**”)” has become the preferred choice of tens of thousands of developers and tens of millions of merchants worldwide. It is increasingly serving as one of the infrastructures for global commercial digitalization, accelerating the advancement of offline commerce toward data connectivity and intelligent business decision-making.

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

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

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

CORE COMPETITIVENESS

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

Business Overview

- **Integrated AI Infrastructure for Offline Commerce.** The Company is deeply integrating its smart devices, proprietary SUNMI OS, BloT PaaS platform and AI application services into a unified technology stack, progressively evolving into a global AI infrastructure provider for offline merchants. By offering a physical interface for digitalization and AI adoption, the Company enables merchants worldwide to access intelligent functions through its installed device base without requiring additional hardware investment. The Company has established a dedicated research and development (the “R&D”) team to develop AI agent tools for small and micro merchants, covering next-generation commercial applications such as internal controls, sales and marketing.
- **Leading Global BloT Solution Provider Driving Value Chain Integration.** As of June 30, 2026, the Company supported more than 73,000 registered business partners with more than 6 million monthly active smart devices. The Company has nurtured active developer ecosystems dedicated to commercial scenarios, with its integrated architecture combining hardware, operating systems and cloud infrastructure enabling continuous device-cloud integration. The BloT PaaS platform equips smart devices with cloud-based intelligence that supports real-time iteration, extends product lifecycle and expands application scenarios. The Company integrates advanced techniques such as AI algorithms, edge AI chips and multi-sensor fusion designs into its products, enhancing intelligence and responsiveness across use cases. As a key participant within the BloT value chain, the Company’s solutions enable merchants to improve service quality and operational efficiency, generating behavioral insights that strengthen partnerships and open new avenues for growth.
- **Global Market Expansion.** As one of the earliest Chinese IoT enterprises to pursue international expansion, the Company has established a mature global sales, service and supply chain network. As of June 30, 2026, the Company’s solutions had been deployed in over 200 countries and geographic regions, with overseas revenue accounting for more than 80% of total revenue during the six months ended June 30, 2026 (the “Reporting Period”). Business revenue is well-diversified across Asia Pacific, North America, Europe and other major regions. The Company’s comprehensive localized capabilities – encompassing language, payment, taxation and scenario-specific adaptations – enable efficient responses to differentiated merchant needs across geographies. To further expand market influence and strengthen customer interaction, in the first half of 2026, the Company, together with local partners around the world, newly established 13 SUNMI Home experience centers in the United States, Hong Kong, Thailand, Indonesia, Malaysia, the Maldives and other locations. As of June 30, 2026, the Company and its global partners had cumulatively established more than 120 SUNMI Home experience centers. SUNMI Home is a multi-dimensional ecosystem space product jointly developed by SUNMI and its ecosystem partners. It serves as a vehicle for IoT + AI solutions catering to diverse commercial scenarios, an interactive co-creation platform connecting global ecosystem partners, and a frontier where “technology changes commerce”.

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

Business Overview

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

FUTURE OUTLOOK AND STRATEGIES

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

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

Business Overview

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

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

Management Discussion & Analysis

FINANCIAL REVIEW

OVERVIEW

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

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated:

	For the six months ended June 30,	
	2026	2025
	(RMB in thousands)	
	(Unaudited)	
Revenue	1,762,010	1,400,944
Cost of sales	(1,196,178)	(953,280)
Gross profit	565,832	447,664
Other income	37,671	40,526
Other gains and losses	(83,495)	360
Distribution and selling expenses	(195,453)	(179,969)
Administrative expenses	(107,788)	(53,789)
Research and development expenses	(216,211)	(208,834)
Reversals of impairment losses or impairment gains	5,025	2,740
Listing expenses	(49,847)	(20,970)
Finance costs	(17,765)	(15,371)
(Loss) profit before tax	(62,031)	12,357
Income tax (expense) credit	(7,965)	3,572
(Loss) profit for the period	(69,996)	15,929

Management Discussion & Analysis

REVENUE

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

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

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

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

- Sales of smart devices.** Revenue from sales of smart devices increased by 25.9% from RMB1,387.5 million for the six months ended June 30, 2025 to RMB1,747.4 million for the six months ended June 30, 2026. The increase was primarily attributable to (i) an increase in revenue from our smart desktop devices by 14.6% from RMB418.0 million for the six months ended June 30, 2025 to RMB478.9 million for the six months ended June 30, 2026, primarily because we launched new products such as Flex, which have secured customer recognition and market acceptance, as well as continued repeated purchases from customers in North America; (ii) an increase in revenue from our smart mobile devices by 56.1% from RMB389.8 million for the six months ended June 30, 2025 to RMB608.6 million for the six months ended June 30, 2026, primarily driven by the increase in our revenue generated from customers along the food delivery value chain, and the launch of new products, such as CPad; (iii) an increase in revenue from our smart payment devices by 9.0% from RMB446.7 million for the six months ended June 30, 2025 to RMB486.9 million for the six months ended June 30, 2026, mainly due to continued growth in repeated purchases from existing customers; and (iv) an increase in revenue from our accessories and parts by 30.1% from RMB133.0 million for the six months ended June 30, 2025 to RMB173.0 million for the six months ended June 30, 2026, primarily in line with our expansion in sales of smart desktop devices, smart mobile devices and smart payment devices.

Management Discussion & Analysis

- **PaaS platform and customization services.** Revenue from PaaS platform and customization services remained relatively stable at RMB13.4 million and RMB14.6 million for the six months ended June 30, 2025 and 2026, respectively.

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

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

Our revenue from Chinese mainland decreased by 14.1% from RMB375.5 million for the six months ended June 30, 2025 to RMB322.4 million for the six months ended June 30, 2026, primarily due to certain domestic customers reduced their purchase volume. Our revenue from other Asia-Pacific regions increased by 7.0% from RMB292.0 million for the six months ended June 30, 2025 to RMB312.5 million for the six months ended June 30, 2026, primarily because of the increased order volumes and prices in Southeast Asian countries. Our revenue from North America increased by 132.3% from RMB77.1 million for the six months ended June 30, 2025 to RMB179.2 million for the six months ended June 30, 2026, primarily driven by repeated orders from existing North American customers. Our revenue from Central and South America decreased from RMB160.3 million for the six months ended June 30, 2025 to RMB119.4 million for the six months ended June 30, 2026, primarily due to the reduced procurement volumes from certain clients due to their internal arrangements. Our revenue from Europe increased by 54.8% from RMB377.4 million for the six months ended June 30, 2025 to RMB584.1 million for the six months ended June 30, 2026, primarily driven by increased procurement volumes from food delivery clients, as well as our expanded sales channel in such regions. Our revenue from Middle East and Africa increased by 106.3% from RMB118.5 million for the six months ended June 30, 2025 to RMB244.4 million for the six months ended June 30, 2026, primarily attributable to the repeated orders from certain customers against the backdrop of geopolitical tension.

Management Discussion & Analysis

COST OF SALES

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

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

GROSS PROFIT AND GROSS PROFIT MARGIN

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

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

DISTRIBUTION AND SELLING EXPENSES

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

ADMINISTRATIVE EXPENSES

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

R&D EXPENSES

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

OTHER INCOME

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

Management Discussion & Analysis

OTHER GAINS AND LOSSES

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

REVERSALS OF IMPAIRMENT LOSSES OR IMPAIRMENT GAINS

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

LISTING EXPENSES

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

FINANCE COSTS

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

INCOME TAX (EXPENSE) CREDIT

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

(LOSS) PROFIT FOR THE PERIOD

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

NON-IFRS MEASURES

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

Management Discussion & Analysis

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

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

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

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

LIQUIDITY AND CAPITAL RESOURCES

During the six months ended June 30, 2026, we primarily funded our cash requirements through bank borrowings, net proceeds from the Global Offering and/or other sources. Our cash and cash equivalents amounted to RMB1,994.5 million as of June 30, 2026, compared with RMB1,470.9 million as of December 31, 2025. As at June 30, 2026, the Group had fixed-rate bank borrowings of RMB1,816.8 million (December 31, 2025: RMB1,396.3 million). For details, please see Note 22 of the “Notes to the Condensed Consolidated Financial Statements”.

Management Discussion & Analysis

CASH FLOWS

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

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

Net Cash (Used In) From Operating Activities

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

Net Cash From (Used In) Investing Activities

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

Net Cash From Financing Activities

For the six months ended June 30, 2026, our net cash from financing activities was RMB1,290.3 million, primarily due to the receipt of proceeds from the Global Offering.

INDEBTEDNESS

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

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

CAPITAL EXPENDITURE

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

Management Discussion & Analysis

GEARING RATIO

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

CONTINGENT LIABILITIES

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

PLEDGE OF ASSETS

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

FOREIGN EXCHANGE RISK

We are exposed to foreign exchange risk arising from fluctuations in exchange rates of currencies in which we conduct our business. As at June 30, 2026, the Group had no foreign exchange instruments for hedging purposes. We will continue to monitor foreign exchange exposure and will take prudent measures to manage foreign exchange risks in the future where appropriate.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

EMPLOYEES AND REMUNERATION POLICIES

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

NO MATERIAL ADVERSE CHANGE

Save as disclosed in this interim report, during the Reporting Period, there were no material changes affecting the Company's performance that need to be disclosed under paragraphs 32 and 40(2) of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Corporate Governance Report and Other Information

WEIGHTED VOTING RIGHTS

The Company has an H-share weighted voting rights structure. Under the weighted voting rights structure of the Company, the share capital of the Company comprises Class A shares (the **"Class A Shares"**) and Class B ordinary shares (the **"Class B Ordinary Shares"**). Each Class A Share entitles its holder to exercise ten votes, and each Class B Ordinary Share entitles its holder to exercise one vote, respectively, on any matters subject to the vote at general meetings of the Company, save for the Reserved Matters (as defined below) and the Special Matters (as defined below), which shall be voted on a one vote per share basis in accordance with Rule 8A.24 of the Listing Rules, the PRC Company Law and the articles of association of the Company (the **"Articles of Association"**).

Although the weighted voting right beneficiary (the **"WVR Beneficiary"**) (i.e., Mr. Lin Zhe (**"Mr. Lin"**)) does not hold a majority of the economic interest in the share capital of the Company, the weighted voting rights structure enables the WVR Beneficiary to exercise voting control over the Company. The Company believes that the weighted voting rights structure allows the Group to benefit from the continuing vision and leadership of the WVR Beneficiary and facilitates the long-term development of the Group.

Shareholders (the **"Shareholders"**) and prospective investors of the Company should be aware of the potential risks of investing in a company with a weighted voting rights structure, in particular that the interests of the WVR Beneficiary may not necessarily always be aligned with those of the Shareholders as a whole, and that the WVR Beneficiary will be in a position to exert significant influence over the affairs of the Company and the outcome of Shareholders' resolutions. Shareholders and prospective investors should make their investment decisions only after due and careful consideration.

The Reserved Matters include matters prescribed under Rule 8A.24 of the Listing Rules, including amendments to the Articles of Association, variation of rights attached to any class of shares of the Company (the **"Shares"**), appointment or removal of independent non-executive directors, appointment or removal of auditors and voluntary winding-up of the Company. The Special Matters include merger, division, dissolution or change of corporate form of the Company, determination of remuneration of directors who are not employee representatives, and election and change of members of the audit committee of the Company (the **"Audit Committee"**).

Mr. Lin is the beneficiary of weighted voting rights of the Company. The following table sets out the ownership interests and voting rights held by the WVR Beneficiary as at June 30, 2026:

	Number of Class A Shares held	Number of Class B Ordinary Shares held	Approximate percentage of total issued share capital	Approximate percentage of voting rights
Mr. Lin	98,584,276	41,251,282	34.73%	79.63%

Corporate Governance Report and Other Information

During the period from the Listing Date to June 30, 2026, there was no change in the weighted voting rights structure of the Company. As at June 30, 2026, Mr. Lin remained the sole WVR Beneficiary.

Class A Shares may be converted into Class B Ordinary Shares on a one-to-one basis, subject to the procedures required under relevant PRC laws and regulations, the Articles of Association and the securities regulatory rules of the place where the Shares are listed. Upon the conversion of all issued and outstanding Class A Shares into Class B Ordinary Shares, the Company will issue 98,584,276 Class B Ordinary Shares, representing approximately 32.42% of the total number of issued Class B Ordinary Shares as at the date of this interim report.

The weighted voting rights attached to the Class A Shares will cease when the WVR Beneficiary ceases to have beneficial ownership of any Class A Shares in accordance with Rule 8A.22 of the Listing Rules and the Articles of Association, including, among others:

- (a) upon the occurrence of any of the circumstances set out in Rule 8A.17 of the Listing Rules, in particular where the WVR Beneficiary is deceased, no longer a member of the board (the **"Board"**) of directors (the **"Directors"**) of the Company, deemed by The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) to be incapacitated for the purpose of performing his duties as a Director, or deemed by the Stock Exchange to no longer meet the requirements of a Director set out in the Listing Rules;
- (b) when the holder of Class A Shares has transferred to another person the beneficial ownership of, economic interest in, or control over the voting rights attached to, the Class A Shares, other than in the circumstances permitted by Rule 8A.18 of the Listing Rules;
- (c) where a vehicle holding Class A Shares on behalf of the WVR Beneficiary no longer complies with Rule 8A.18(2) of the Listing Rules;
- (d) when all of the Class A Shares have been converted into Class B Ordinary Shares; and
- (e) other circumstances as stipulated in the Articles of Association.

Save for the weighted voting rights attached to the Class A Shares, the rights attached to the Class A Shares and the Class B Ordinary Shares are identical.

Corporate Governance Report and Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

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

AUDIT COMMITTEE

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

Corporate Governance Report and Other Information

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

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

CORPORATE GOVERNANCE COMMITTEE

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

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

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

CHANGE IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE UNDER RULE 13.51B(1) OF THE LISTING RULES

There were no changes in the information of Directors and chief executive of the Company which shall be subject to disclosure pursuant to Rule 13.51B(1) of the Listing Rules.

Corporate Governance Report and Other Information

DIRECTOR'S AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at June 30, 2026, the interests and short positions of the Director and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which were required to be notified to the 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 required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name	Position	Nature of interest	Class of Shares	Number of Shares ^{(1) and (2)}	Approximate percentage in the relevant class of Shares	Approximate percentage of total issued share capital
Lin Zhe	Executive Director, chairman of the Board and general manager	Beneficial owner	Class A Shares	98,584,276 (L)	100%	24.49%
		Interests in controlled corporation ⁽³⁾	Class B Ordinary Shares	41,251,282 (L)	13.57%	10.25%

1. The letter "L" denotes the person's long position in the Shares.
2. The calculation is based on the total number of Shares in issue, which is 402,626,800 Shares, comprising 98,584,276 Class A Shares and 304,042,524 Class B Ordinary Shares, as at June 30, 2026.
3. Mr. Lin is the general partner of Shanghai Woyou Enterprise Management Partnership (Limited Partnership), Shanghai Woyou Enterprise Management Center (Limited Partnership) and Ningbo Woyou Investment Partnership (Limited Partnership). For details of the interests held by each controlled corporation of Mr. Lin, please refer to the section headed "Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares" in this interim report.

Save as disclosed above, as at June 30, 2026, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to the 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 required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Corporate Governance Report and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2026, so far as the Directors are aware, the following persons, other than the Directors or chief executives of the Company, had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register kept by the Company under Section 336 of the SFO:

Name	Nature of interest	Class of Shares	Number of Shares ⁽¹⁾ and ⁽²⁾	Approximate percentage of issued Shares in class	Approximate percentage of total issued share capital
Shanghai Woyou Enterprise Management Partnership (Limited Partnership) (上海沃郵企業管理合夥企業(有限合夥)) ⁽³⁾	Beneficial owner	Class B Ordinary Shares	28,877,670 (L)	9.50%	7.17%
Shanghai Woyou Enterprise Management Center (Limited Partnership) (上海沃有企業管理中心(有限合夥)) ⁽³⁾	Beneficial owner	Class B Ordinary Shares	10,622,371 (L)	3.49%	2.64%
Ningbo Woyou Investment Partnership (Limited Partnership) (寧波握友投資合夥企業(有限合夥)) ⁽³⁾	Beneficial owner	Class B Ordinary Shares	1,751,241 (L)	0.58%	0.43%
Shanghai Yunxin Venture Capital Co., Ltd. (上海雲鑫創業投資有限公司) ⁽⁴⁾	Beneficial owner	Class B Ordinary Shares	98,182,427 (L)	32.29%	24.39%
Ant Group Co., Ltd. (螞蟻科技集團股份有限公司) ⁽⁴⁾	Interests in controlled corporation	Class B Ordinary Shares	98,182,427 (L)	32.29%	24.39%
Zhejiang Kunxin Investment Management Co. Ltd. (浙江坤鑫投資管理有限公司) ⁽⁵⁾	Interests in controlled corporation	Class B Ordinary Shares	24,777,700 (L)	8.15%	6.15%
Zhejiang Zheli Investment Management Co., Ltd. (浙江浙裡投資管理有限公司) ⁽⁵⁾	Interests in controlled corporation	Class B Ordinary Shares	24,777,700 (L)	8.15%	6.15%
Zhejiang Equity Service Group Company Limited (浙江股權服務集團有限公司) ⁽⁵⁾	Interests in controlled corporation	Class B Ordinary Shares	24,777,700 (L)	8.15%	6.15%
Jiashan County Shancheng Industry Co., Ltd. (嘉善縣善成實業有限公司) ⁽⁵⁾	Interests in controlled corporation	Class B Ordinary Shares	24,777,700 (L)	8.15%	6.15%
Shanghai Hantao Information Consulting Co., Ltd. (上海漢濤信息諮詢有限公司) ⁽⁶⁾	Beneficial owner	Class B Ordinary Shares	29,515,358 (L)	9.71%	7.33%
Meituan ⁽⁶⁾	Interests in controlled corporation	Class B Ordinary Shares	29,515,358 (L)	9.71%	7.33%
Crown Holdings Asia Limited ⁽⁶⁾	Interests in controlled corporation	Class B Ordinary Shares	29,515,358 (L)	9.71%	7.33%
Songtao Limited ⁽⁶⁾	Interests in controlled corporation	Class B Ordinary Shares	29,515,358 (L)	9.71%	7.33%
TMF (Cayman) Ltd. ⁽⁶⁾	Interests in controlled corporation	Class B Ordinary Shares	29,515,358 (L)	9.71%	7.33%

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Name	Nature of interest	Class of Shares	Number of Shares ⁽¹⁾ and ⁽²⁾	Approximate percentage of issued Shares in class	Approximate percentage of total issued share capital
Wang Xing (王興) ⁽⁶⁾	Interests in controlled corporation	Class B Ordinary Shares	29,515,358 (L)	9.71%	7.33%
Tianjin Jinxing Venture Investment Co., Ltd. (天津金星創業投資有限公司) ⁽⁷⁾	Beneficial owner	Class B Ordinary Shares	28,011,271 (L)	9.21%	6.96%
Xiaomi Inc. ⁽⁷⁾	Interests in controlled corporation	Class B Ordinary Shares	28,011,271 (L)	9.21%	6.96%
Xiaomi Communications Co., Ltd. ⁽⁷⁾	Interests in controlled corporation	Class B Ordinary Shares	28,011,271 (L)	9.21%	6.96%
Xiaomi H.K. Limited ⁽⁷⁾	Interests in controlled corporation	Class B Ordinary Shares	28,011,271 (L)	9.21%	6.96%
Xiaomi Corporation ⁽⁷⁾	Interests in controlled corporation	Class B Ordinary Shares	28,011,271 (L)	9.21%	6.96%
Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司)	Beneficial owner	Class B Ordinary Shares	24,777,737 (L)	8.15%	6.15%

- The letter "L" denotes the person's long position in the Shares.
- The calculation is based on the total number of Shares in issue, which is 402,626,800 Shares, comprising 98,584,276 Class A Shares and 304,042,524 Class B Ordinary Shares, as at June 30, 2026.
- Mr. Lin is the general partner of Shanghai Woyou Enterprise Management Partnership (Limited Partnership), Shanghai Woyou Enterprise Management Center (Limited Partnership) and Ningbo Woyou Investment Partnership (Limited Partnership). For details of the deemed interests of Mr. Lin, please refer to the section headed "Director's and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any of its Associated Corporations" in this interim report.
- Shanghai Yunxin Venture Capital Co., Ltd. is wholly-owned by Ant Group Co., Ltd. Therefore, Ant Group Co., Ltd. is deemed to be interested in the Shares held by Shanghai Yunxin Venture Capital Co., Ltd. in our Company under the SFO.
- Jiashan Zhugu Shanshang Private Equity Partnership (Limited Partnership), which held 14,832,000 Class B Ordinary Shares, is owned as to 1% by its general manager, Zhejiang Kunxin Investment Management Co. Ltd., which is wholly-owned by Zhejiang Zheli Investment Management Co., Ltd, which is in turn wholly-owned by Zhejiang Equity Service Group Co., Ltd. The remaining 39.60% partnership interests is owned by Jiashan County Shanrui Venture Capital Co., Ltd. (嘉善縣善瑞創業投資有限公司) and 59.40% partnership interests is owned by Jiashan County Zhongxin Industrial Development Investment Co., Ltd. (嘉善縣中新產業發展投資有限公司) as limited partners. Jiashan County Shanrui Venture Capital Co., Ltd. is controlled by Jiashan County Financial Investment Co., Ltd., which is wholly owned by Jiashan County State-owned Assets Investment Group Co., Ltd. Jiashan County Zhongxin Industrial Development Investment Co., Ltd. is wholly-owned by Jiashan County Shancheng Industry Co., Ltd. XINWUTANG CO., LIMITED, which also held 9,945,700 Class B Ordinary Shares, is a limited company incorporated in Hong Kong wholly-owned by Jiashan Xinwutang Equity Investment Partnership Enterprise (Limited Partnership) (嘉善新武塘股權投資合夥企業(有限合夥)) ("Jiashan Xinwutang"). Jiashan Xinwutang is managed and held as to 0.1% by its general partner, Zhejiang Kunxin Investment Management Co. Ltd. (浙江坤鑫投資管理有限公司) ("Zhejiang Kunxin"), which is in turn ultimately controlled by Zhejiang Equity Service Group Company Limited (浙江股權服務集團有限公司) ("Zhejiang Equity Service Group"). The single largest shareholder of Zhejiang Equity Service Group is Zhejiang Finance Market Investment Company Limited (浙江省金融市場投資有限公司), a state-owned company holding the equity interests therein as to 12%. The remaining 95% and 4.9% partnership interests of Jiashan Xinwutang is owned by Jiashan County Xinwutang Venture Capital Co., Ltd. (嘉善縣新武塘創業投資有限公司) and Jiashan County Zhongxin Industrial Development Investment Co., Ltd. (嘉善縣中新產業發展投資有限公司) as limited partners respectively, both of which are ultimately controlled by Jiashan County Finance Bureau (Jiashan County People's Government State-owned Assets Supervision and Administration Office) (嘉善縣財政局 (嘉善縣人民政府國有資產監督管理辦公室)). Therefore, each of Zhejiang Kunxin, Zhejiang Zheli Investment Management Co., Ltd, Zhejiang Equity Service Group, Jiashan County Shanrui Venture Capital Co., Ltd., Jiashan County Zhongxin Industrial Development Investment Co., Ltd., Jiashan County Financial Investment Co., Ltd., Jiashan County State-owned Assets Investment Group, and Jiashan County Shancheng Industry Co., Ltd. is deemed to be interested in the Shares held by Jiashan Zhugu Shanshang Private Equity Partnership (Limited Partnership) and XINWUTANG CO., LIMITED in our Company under the SFO.

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6. Shanghai Hantao Information Consulting Co., Ltd. is a consolidated affiliated entity of Meituan, which is owned as to 43.23% by Crown Holdings Asia Limited. Crown Holdings Asia Limited is a controlled corporation of Songtao Limited, which is in turn controlled by TMF (Cayman) Ltd. and Wang Xing. Therefore, Meituan, Crown Holdings Asia Limited, Songtao Limited, TMF (Cayman) Ltd. and Wang Xing are deemed to be interested in the Shares held by Shanghai Hantao Information Consulting Co., Ltd. in our Company under the SFO.
7. Tianjin Jinxing Venture Investment Co., Ltd. is a consolidated affiliated entity of Xiaomi Corporation through its controlled corporations, namely Xiaomi Inc., Xiaomi Communications Co., Ltd. and Xiaomi H.K. Limited. Therefore, Xiaomi Corporation is deemed to be interested in the Shares held by Tianjin Jinxing Venture Investment Co., Ltd. in our Company under the SFO.

Save as disclosed above, as at June 30, 2026, the Directors were not aware of any other person, other than the Directors or chief executives of the Company, who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register kept by the Company under Section 336 of the SFO.

SHARE INCENTIVE PLANS

Pre-IPO Share Incentive Arrangement

As disclosed in the prospectus of the Company dated April 21, 2026 (the “**Prospectus**”), the Company had adopted the 2019 share incentive plan (the “**2019 Share Incentive Plan**”) prior to the Listing Date. The 2019 Share Incentive Plan was implemented through Shanghai Woyou Enterprise Management Partnership (Limited Partnership), an employee holding platform established in the PRC in April 2017, for the purpose of recognizing the contributions of employees and incentivizing them to further promote the development of the Group.

Pursuant to the 2019 Share Incentive Plan, eligible grantees may be granted incentives by subscribing for partnership interests in the employee holding platform, thereby indirectly holding interests in the Shares.

As disclosed in the Prospectus, as of the Latest Practicable Date of the Prospectus, all options under the employee holding platform had been granted and exercised, and there were no outstanding options or share awards under the 2019 Share Incentive Plan. During the period from the Listing Date to June 30, 2026, no option or share award was granted, exercised, cancelled or lapsed under the 2019 Share Incentive Plan, and there was no outstanding option or share award under the 2019 Share Incentive Plan as of June 30, 2026.

Post-IPO Share Incentive Plan

As of June 30, 2026, the Company had not adopted any post-IPO share incentive plan.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

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

Corporate Governance Report and Other Information

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

Use of proceeds from the Global Offering	Amount of net proceeds for planned applications (HK\$ million)	Percentage of total net proceeds (%)	Utilized net proceeds as at June 30, 2026 (HK\$ million)	Net proceeds unutilized as of June 30, 2026 (HK\$ million)	Expected time frame for unutilized amount ⁽¹⁾
Research and development of BioT hardware and software solutions	368.8	40.0	2.6	366.2	
- In-house R&D of core hardware components and support both the upgrade of existing smart devices and the development of next-generation smart devices	184.4	20.0	1.7	182.7	On or before December 31, 2029
- Development and upgrade of PaaS platform	92.2	10.0	0.2	92.0	On or before December 31, 2029
- AI-centric R&D investments	92.2	10.0	0.7	91.5	On or before December 31, 2029
Strengthening supply chain and manufacturing operations	276.6	30.0	51.8	224.8	
- Construction and upgrade of our production facilities	230.5	25.0	51.8	178.7	On or before December 31, 2027
- Expansion of overseas production lines	46.1	5.0	-	46.1	On or before December 31, 2029

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Use of proceeds from the Global Offering	Amount of net proceeds for planned applications (HK\$ million)	Percentage of total net proceeds (%)	Utilized net proceeds as at June 30, 2026 (HK\$ million)	Net proceeds unutilized as of June 30, 2026 (HK\$ million)	Expected time frame for unutilized amount ⁽¹⁾
Global market expansion initiatives	184.4	20.0	5.3	179.1	
- Maintaining and expanding our sales force	14.8	1.6	-	14.8	On or before December 31, 2029
- Strengthening brand building initiatives globally through (a) increasing participation in major industry exhibitions to enhance brand exposure, (b) investing in online marketing and promotional campaigns, and (c) supporting co-branding and joint promotional activities with key partners in selected overseas markets	109.7	11.9	4.6	105.1	On or before December 31, 2029
- Expanding the coverage of SUNMI Home, our offline experience center	59.9	6.5	0.7	59.2	On or before December 31, 2029
Working capital and other general corporate purposes ⁽²⁾	92.2	10.0	5.7	86.5	On or before December 31, 2029
Total	922.0	100.0	65.4	856.6	

Notes:

- (1) The expected timeline for utilizing unutilized amount is based on the Group's best estimate of future market conditions and is subject to change in light of the development of current and future market conditions.
- (2) Working capital and general corporate purposes include, among others, payments to suppliers and settlement of daily operating expenses.

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

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

Corporate Governance Report and Other Information

OTHER INFORMATION

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

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

Permitted Indemnity Provision and Directors' and Officers' Liability Insurance

A permitted indemnity provision (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) in relation to the directors' and officers' liability insurance is currently in force and was in force during the six months ended June 30, 2026. The Company has arranged appropriate directors' liability insurance coverage for the Directors during the six months ended June 30, 2026.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company had maintained the prescribed public float under Rule 8.08 and Rule 19A.28B(1) of the Listing Rules since the Listing Date and up to the date of this interim report.

Arrangement for Directors to Acquire Shares or Debentures

Save as disclosed in this interim report, at no time since the Listing Date and up to June 30, 2026 was the Company or any of its subsidiaries or the holding company a party to any arrangement to enable a Director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Pre-Emptive Rights

The Shareholders are not entitled to have pre-emptive rights according to the provisions of PRC laws and the Articles of Association.

Pension Schemes

Details of the pension schemes are set out in Note 8 to the condensed consolidated financial statements.

Since the Listing Date and up to June 30, 2026, no forfeited contributions were utilised by the Group to reduce its contributions.

Issue of Shares

On April 29, 2026, the H Shares were listed on the Main Board of the Stock Exchange. In connection with the Global Offering, the Company issued 42,626,800 H Shares at an offer price of HK\$24.86 per H Share. As at June 30, 2026, the total number of issued Shares was 402,626,800 Shares.

Save as disclosed above, during the period from the Listing Date to June 30, 2026, the Company did not issue any new Shares.

Corporate Governance Report and Other Information

Financial Assistance and Guarantee to Affiliated Companies

During the six months ended June 30, 2026, the Group did not provide any financial assistance to, or guarantee for, its affiliated companies in aggregate exceeds 8% under the assets ratio defined under Rule 14.07(1) of the Listing Rules, nor did any circumstances giving rise to a disclosure by the Company under Rule 13.16 of the Listing Rules subsist as at June 30, 2026.

Continuing Disclosure Obligations Pursuant to the Listing Rules

Save as disclosed in this interim report, the Prospectus and the announcements of the Company, the Company did not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules during the period from the Listing Date to June 30, 2026.

Compliance with the Relevant Laws and Regulations

The Group has compliance policies and procedures in place to ensure adherence to applicable laws, rules and regulations, in particular those that have a significant impact on it. The Group would seek professional legal advice from its legal advisers to ensure that transactions and business to be performed by the Group are in compliance with the applicable laws and regulations. Since the Listing Date and up to June 30, 2026, the Group was not aware of any non-compliance with the laws, regulations and regulatory requirements of the places where the Group operates in all material respects, including the requirements under the Companies Ordinance, the Listing Rules, the SFO and the Corporate Governance Code for, among other things, the disclosure of information and corporate governance.

Equity-Linked Agreement

Save as disclosed in this interim report, the Company did not enter into any equity-linked agreement during the six months ended June 30, 2026, nor did any equity-linked agreement subsist as at June 30, 2026.

Auditor

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

Interim Dividend

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

Material Litigation

As at the date of this interim report, the Group was not involved in any material litigation, arbitration or claim, and the Directors were not aware of any pending or threatened material litigation, arbitration or claim by or against any member of the Group that would have a material adverse effect on the Group's results of operations or financial position as a whole.

Corporate Governance Report and Other Information

Brazil Dispute Update

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

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

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

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

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

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

Corporate Governance Report and Other Information

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

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

Distributable Reserves

For changes in the Company's reserves and distributable reserves, please refer to the "CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY" under the condensed consolidated financial statements.

Related Party Transactions

Details of the related party transactions carried out in the ordinary course of business are set out in Note 25(a) to the condensed consolidated financial statements.

Corporate Governance Report and Other Information

Events after the Reporting Period

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

By order of the Board

Shanghai Sunmi Technology Co., Ltd.

Mr. Lin Zhe

Executive Director, Chairman and General Manager

Shanghai, China, August 31, 2026

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF SHANGHAI SUNMI TECHNOLOGY CO., LTD.*

上海商米科技集團股份有限公司

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

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Shanghai Sunmi Technology Co., Ltd.* ("上海商米科技集團股份有限公司") (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 60, which comprise the condensed consolidated statement of financial position as at June 30, 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-months period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

OTHER MATTER

The comparative condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-months period ended June 30, 2025 and the relevant notes included in these condensed consolidated financial statements have not been reviewed in accordance with HKSRE 2410.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

August 31, 2026

* For identification purpose only

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED JUNE 30, 2026

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

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED JUNE 30, 2026

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

* Amount is less than RMB1,000.

Condensed Consolidated Statement of Financial Position

AS AT JUNE 30, 2026

		As at June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
	NOTES		
Non-Current Assets			
Property and equipment	12	49,415	42,112
Right-of-use assets	12	115,502	73,315
Other intangible assets		40,744	51,197
Financial assets at fair value through profit or loss ("FVTPL")	16	194,665	200,393
Prepayment for purchase of non-current assets		6,244	9,068
Term deposits with an original maturity over one year	20	689,587	683,468
Deferred tax assets	13	61,999	67,799
Other receivables	15	14,244	12,079
		1,172,400	1,139,431
Current Assets			
Inventories	14	1,518,725	773,265
Trade and other receivables	15	1,638,399	1,804,880
Contract costs		5,561	1,506
Tax recoverable		4,391	4,392
Bills receivables measured at fair value through other comprehensive income ("FVTOCI")	17	8,569	7,998
Term deposits with an original maturity over three months but within one year	20	–	92,720
Restricted bank deposits	20	58,263	57,332
Cash and cash equivalents	20	1,994,486	1,470,895
		5,228,394	4,212,988
Current Liabilities			
Trade and other payables	21	1,370,131	1,653,346
Income tax payable		5,716	11,301
Bank borrowings	22	1,816,828	1,396,362
Deferred income		377	1,994
Lease liabilities		26,715	23,715
Provisions		16,476	15,271
Contract liabilities	19	149,368	79,705
		3,385,611	3,181,694

Condensed Consolidated Statement of Financial Position

AS AT JUNE 30, 2026

		As at June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
	NOTES		
Net current assets		1,842,783	1,031,294
Total assets less current liabilities		3,015,183	2,170,725
Non-Current Liabilities			
Other payables	21	25,872	27,259
Deferred tax liabilities	13	974	1,087
Deferred income		4,820	2,500
Lease liabilities		45,378	47,382
		77,044	78,228
Net assets		2,938,139	2,092,497
Capital and Reserves			
Share capital	23	402,627	360,000
Reserves		2,535,511	1,732,496
Equity attributable to owners of the Company		2,938,138	2,092,496
Non-controlling interests		1	1
Total Equity		2,938,139	2,092,497

Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Attributable to the Owners of the Company								
	Share capital RMB'000	Share premium RMB'000	Foreign currency translation reserve RMB'000	Share-based payments reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Subtotal RMB'000	Non- controlling interests RMB'000	Total RMB'000
As at January 1, 2026 (audited)	360,000	1,044,089	13,505	37,359	83,828	553,715	2,092,496	1	2,092,497
Loss for the period	-	-	-	-	-	(69,996)	(69,996)	*	(69,996)
Other comprehensive income for the period	-	-	15,746	-	-	-	15,746	*	15,746
Total comprehensive income (expense) for the period	-	-	15,746	-	-	(69,996)	(54,250)	*	(54,250)
Issue of shares upon listing (Note 23)	42,627	859,733	-	-	-	-	902,360	-	902,360
Transaction costs attributable to issue of shares	-	(10,763)	-	-	-	-	(10,763)	-	(10,763)
Recognition of equity settled share-based payments (Note 24)	-	-	-	8,295	-	-	8,295	-	8,295
Transfer upon vesting of shares granted (Note 24)	-	9,084	-	(9,084)	-	-	-	-	-
As at June 30, 2026 (unaudited)	402,627	1,902,143	29,251	36,570	83,828	483,719	2,938,138	1	2,938,139
As at January 1, 2025 (audited)	360,000	1,014,909	3,349	46,546	69,064	345,878	1,839,746	1	1,839,747
Profit (loss) for the period	-	-	-	-	-	15,930	15,930	(1)	15,929
Other comprehensive income for the period	-	-	3,817	-	-	-	3,817	*	3,817
Total comprehensive income (expense) for the period	-	-	3,817	-	-	15,930	19,747	(1)	19,746
Recognition of equity settled share-based payments (Note 24)	-	-	-	13,653	-	-	13,653	-	13,653
Transfer upon vesting of shares granted (Note 24)	-	4,817	-	(4,817)	-	-	-	-	-
As at June 30, 2025 (unaudited)	360,000	1,019,726	7,166	55,382	69,064	361,808	1,873,146	*	1,873,146

* Amount is less than RMB1,000.

Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED JUNE 30, 2026

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

1. GENERAL INFORMATION

1.1 General information

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

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

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

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

1.2 Basis of preparation

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

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

2. ACCOUNTING POLICIES

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

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

* For identification purpose only

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

2. ACCOUNTING POLICIES (CONTINUED)

Application of amendments to IFRS Accounting Standards

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

3. REVENUE

Disaggregation of revenue from contracts with customers

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

4. SEGMENT INFORMATION

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

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

5. OTHER INCOME

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

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

6. OTHER GAINS AND LOSSES

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

7. FINANCE COSTS

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

8. (LOSS) PROFIT BEFORE TAX

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

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

9. INCOME TAX EXPENSE (CREDIT)

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Income tax expenses (credit) comprise:		
Current tax:		
The PRC	979	40
Hong Kong	–	(1,566)
France	616	297
USA	354	335
Others	329	39
	2,278	(855)
Deferred tax (Note 13)	5,687	(2,717)
	7,965	(3,572)

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

9. INCOME TAX EXPENSE (CREDIT) (CONTINUED)

Hangzhou Shanggong Equity Investment Co., Ltd., Shanghai Sunquick Technology Co., Ltd., Shanghai Sunmi Home Business Management Co., Ltd., Sunmax (Hangzhou) Co., Ltd., Sunmax Technology (Zhejiang) Co., Ltd. have been recognised as small and micro enterprises. According to the relevant provisions of announcement by the State Administration of Taxation, a preferential enterprise income tax rate of 20.00% was applied to small and micro enterprises and discounts on taxable income were further applicable for the portion of annual taxable income not exceeding RMB3,000,000 ranging from 75.00% to 87.50% during the periods ended June 30, 2026 and 2025. Other subsidiaries in the PRC are subject to tax rate of 25.00% for the periods ended June 30, 2026 and 2025.

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

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

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

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

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

10. (LOSSES) EARNINGS PER SHARE

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

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

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

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

11. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 30 June 2026 and 2025. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

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

During the current interim period, the Group's property, plant and equipment increased by approximately RMB22,289,000 (six months ended June 30, 2025: RMB10,097,000) in order to upgrade its manufacturing capacities.

During the current interim period, the Group's right-of-use assets incurred approximately RMB56,621,000 (six months ended June 30, 2025: RMB14,318,000), including land use rights of approximately RMB44,031,000 (six months ended June 30, 2025: nil) for business expansion.

13. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at	
	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Deferred tax assets	61,999	67,799
Deferred tax liabilities	(974)	(1,087)
	61,025	66,712

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

13. DEFERRED TAX ASSETS/LIABILITIES (CONTINUED)

As at June 30, 2026, the Group has unused tax losses of approximately RMB934,197,000 (December 31, 2025: RMB782,078,000), available for offsetting against future profits. No deferred tax asset has been recognised in respect of tax losses of RMB647,368,000 (December 31, 2025: RMB488,439,000), due to the unpredictability of future profit streams.

As at June 30, 2026, the Group has deductible temporary differences of RMB191,180,000 (December 31, 2025: RMB223,296,000). No deferred tax asset has been recognised in relation to deductible temporary difference of RMB6,831,000 (December 31, 2025: RMB8,654,000) as at June 30, 2026, as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

14. INVENTORIES

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

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

15. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables are as follows:

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

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

16. FINANCIAL ASSETS AT FVTPL

	As at	
	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Financial assets measured at FVTPL:		
Other financial investments at FVTPL (Note a)	57,684	58,712
Other financial assets – callable notes (Note b)	136,981	141,681
Financial assets at FVTPL as non-current assets	194,665	200,393

Note a: The amounts represent unlisted equity interest in entities. The Group accounts these investments at FVTPL. Losses from changes in fair value amounting to RMB420,000 (six months ended June 30, 2025: gains from changes in fair value amounting to RMB546,000) are recognized during the period ended June 30, 2026. Details of fair value measurements are set out in Note 26.

Note b: The Group invested in callable notes issued by a bank, which may be redeemed by the bank at its option on the contractually specified redemption dates. The redemption period is from September 2027 to September 2030. These investments are classified as financial assets at FVTPL.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

17. BILLS RECEIVABLES MEASURED AT FVTOCI

As at June 30, 2026 and December 31, 2025, certain bills which were held by the Group were endorsed to suppliers before the bills due for payment. Since the bills are held within the business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, these bills receivables were classified as “bills receivables measured at FVTOCI”.

All the bills receivables were with a maturity period of less than one year. The credit risk on bills receivables at FVTOCI is limited because the counterparties are with good credit standing and are highly likely to be paid, and the ECL are considered as insignificant.

18. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that were derecognised in their entirety

The bills accepted by banks with high credit quality were derecognised when they were endorsed to certain suppliers for settlement of trade payables. In the opinion of the directors of the Company, the Group has transferred the significant risks and rewards relating to these bills receivables, and the Group’s obligations to the corresponding counterparties were discharged in accordance with the commercial practice in the PRC and the risk of the default in payment of the endorsed bills receivable is low because all endorsed or discounted bills receivables are issued and guaranteed by the reputable PRC banks. As a result, the relevant assets and liabilities were derecognised on the consolidated statement of financial position. As at June 30, 2026, the Group had derecognised bills endorsed to certain suppliers but not expired amounting to RMB39,005,000 (December 31, 2025: RMB33,291,000).

19. CONTRACT LIABILITIES

	As at	
	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Sales of smart devices	139,004	73,098
PaaS platform and customization services	10,364	6,607
	149,368	79,705

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

20. CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS/TERM DEPOSITS

The Group's cash and cash equivalents comprise demand deposits and deposits with original maturities of less than three months for the purpose of meeting the Group's short term cash commitments. Bank balances carry interests at market rates range from 0.45% to 0.55% (December 31, 2025: 0.05% to 4.30%) per annum as at June 30, 2026.

The Group's restricted bank deposits consist primarily of restricted bank balances for the issue of bills. The Group's restricted bank deposits carried interest at market rates from 0.05% to 0.15% (December 31, 2025: 0.05%) per annum as at June 30, 2026.

The Group's term deposits with an original maturity of more than one year carried fixed interest rate from 1.55% to 2.35% (December 31, 2025: 1.55% to 2.35%) per annum as at June 30, 2026.

21. TRADE AND OTHER PAYABLES

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

21. TRADE AND OTHER PAYABLES (CONTINUED)

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

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

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

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

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

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

22. BANK BORROWINGS

	As at	
	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Bank borrowings:		
Secured and unguaranteed (Note a)	38,800	8,800
Unsecured and unguaranteed	1,778,028	1,387,562
Fixed-rate borrowings	1,816,828	1,396,362

Note a: The Group entered into forfaiting financing arrangements based on letters of credit issued by Group entities. As at December 31, 2025 and June 30, 2026, the Group had bank borrowings of RMB8,800,000 and RMB 38,800,000 respectively under such forfaiting arrangements. These borrowings were treated as secured and unguaranteed.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	As at	
	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Effective interest rate:		
Fixed-rate borrowings	2.11%-2.35%	2.11%-3.00%

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

23. SHARE CAPITAL

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

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

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

24. SHARE-BASED PAYMENT TRANSACTIONS

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

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

24. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

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

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

24. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

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

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

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

25. RELATED PARTY TRANSACTIONS

(a) Related party transactions

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

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions (Continued)

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

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

(b) Compensation of key management personnel

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

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

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The Group has a team that manages the valuation of instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's instruments. External valuation experts will be involved when necessary.

The fair values of these financial assets and financial liabilities are determined, as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (significant unobservable inputs).

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used).

Financial assets	Notes	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
		June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)				
Financial assets at FVTPL – Other financial investments at FVTPL	16	57,684	58,712	Level 3	Back-solve model/Market comparison approach – reference to enterprise value to sales multiple ("EV/Sales")	DLOM-discount of lack of marketability/EV/Sales (Note)	The higher the DLOM is, the lower the fair value is. The higher the EV/Sales is, the higher the fair value is.
Financial assets at FVTPL – other financial assets – callable notes	16	136,981	141,681	Level 2	Discounted cash flow, which was estimated based on expected return, discounted at a rate that reflects the risk of underlying investments.	N/A	N/A
Bills receivables measured at FVTOCI	17	8,569	7,998	Level 2	Discounted cash flow method. Future cash flows are estimated based on discount rate observed in the available market.	N/A	N/A

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2026

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Reconciliation of Level 3 fair value measurements of financial assets

	Financial assets at FVTPL RMB'000
As at January 1, 2026 (audited)	58,712
Purchase of financial assets	–
Fair value changes	(420)
Exchange rate realignment	(608)
As at June 30, 2026 (unaudited)	57,684
As at January 1, 2025 (audited)	52,196
Purchase of financial assets	4,074
Fair value changes	546
Exchange rate realignment	(26)
As at June 30, 2025 (unaudited)	56,790

Of the total gains or losses for the period included in profit or loss, RMB420,000 loss (June 30, 2025: RMB546,000 gain) relates to financial assets at FVTPL – other financial investments at FVTPL held at June 30, 2026. Fair value gains or losses on financial assets at FVTPL – other financial investments at FVTPL are included in 'other gains and losses'.

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

27. SUBSEQUENT EVENTS

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

SUNMI