



北京赛目科技股份有限公司 Beijing Saimo Technology Co., Ltd.

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

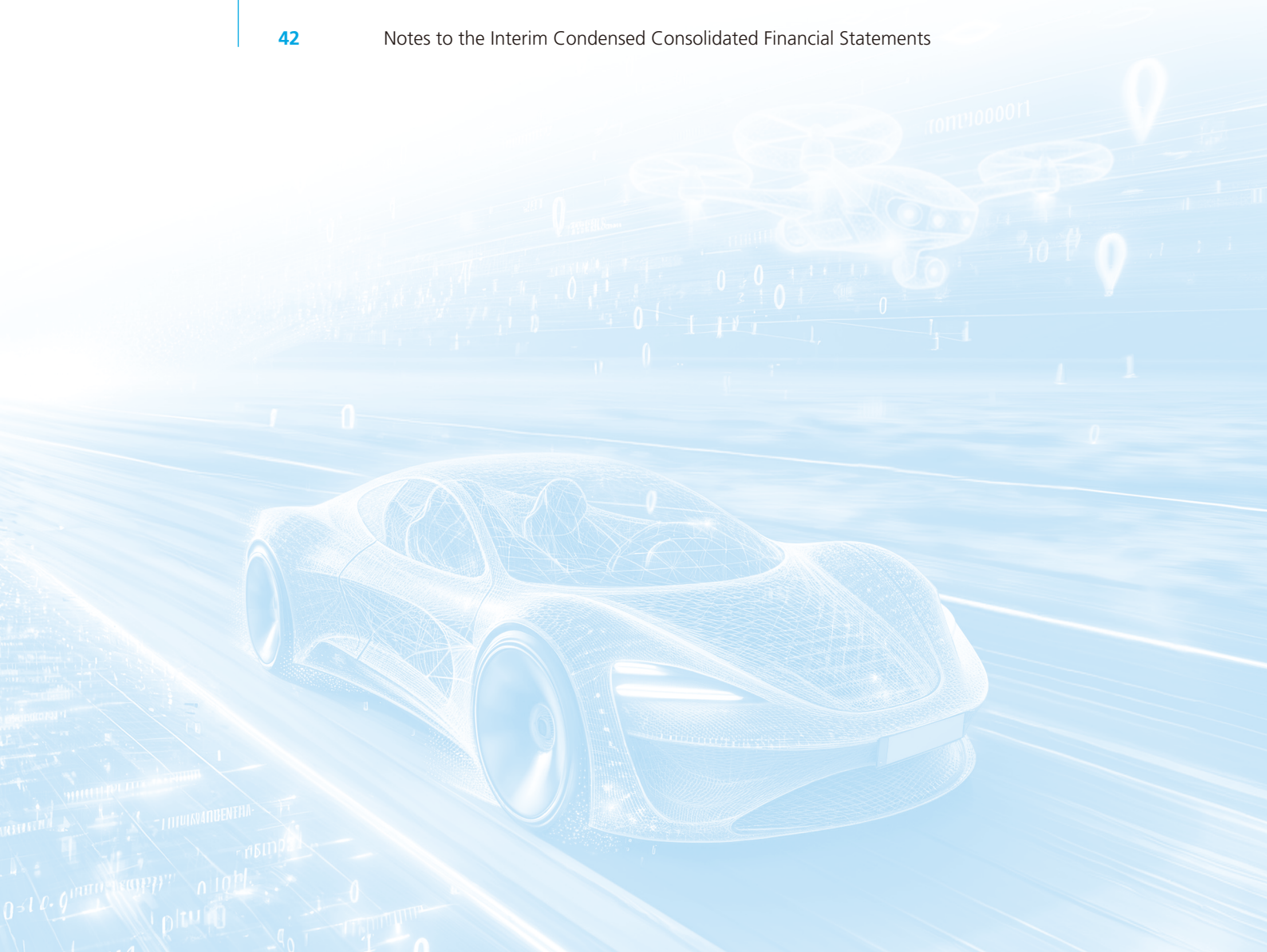
Stock Code : 2571

2026 INTERIM REPORT



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CORPORATE INFORMATION

COMPANY NAME

Beijing Saimo Technology Co., Ltd.

BOARD OF DIRECTORS

Executive Directors

Mr. Hu Dalin (*Chairman*)
Mr. He Feng
Ms. Ma Lei

Non-Executive Directors

Mr. Jia Qi
Dr. Yao Xiang
Ms. Gong Xiao

Independent Non-Executive Directors

Ms. Guo Lili
Mr. Ma Weiguo
Mr. Wong Ho Kwan

SUPERVISORY COMMITTEE

Dr. Cao Gang (*Chairman*)
Mr. Ni Jie
Ms. Xue Na

COMPANY SECRETARY

Ms. Leung Hoi Yan

AUTHORISED REPRESENTATIVES

Mr. He Feng
Ms. Leung Hoi Yan

AUDIT COMMITTEE

Ms. Guo Lili (*Chairlady*)
Mr. Ma Weiguo
Mr. Wong Ho Kwan

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Wong Ho Kwan (*Chairman*)
Ms. Guo Lili
Mr. He Feng

NOMINATION COMMITTEE

Mr. Wong Ho Kwan (*Chairman*)
Mr. Hu Dalin
Ms. Guo Lili

STRATEGY COMMITTEE

Mr. Hu Dalin (*Chairman*)
Mr. He Feng
Ms. Ma Lei

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
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Hong Kong

COMPLIANCE ADVISER

CEB International Capital Corporation Limited
34/F–35/F, Everbright Centre
108 Gloucester Road
Wanchai
Hong Kong

CORPORATE INFORMATION

REGISTERED OFFICE IN THE PRC

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Haidian District
Beijing
the PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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No. 67 North Fourth Ring West Road
Haidian District
Beijing
the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

46/F, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

COMPANY'S WEBSITE

www.saimo.cloud

PRINCIPAL BANK

Bank of Beijing Fuyu Branch

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

STOCK CODE

02571

DEFINITIONS AND GLOSSARY

In this Interim Report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

"affiliate" or "associate companies"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"Articles of Association" or "Articles"	the articles of association of the Company, as amended, modified or supplemented from time to time
"Audit Committee"	the audit committee of our Board
"Board" or "Board of Directors"	the board of Directors of our Company
"CCID"	China Center for Information Industry Development* (中國電子信息產業發展研究院), a public institution under the Ministry of Industry and Information Technology (the "MIIT")
"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this Interim Report only, Hong Kong, the Macao Special Administrative Region and Taiwan
"Company" or "Saimo Technology"	Beijing Saimo Technology Co., Ltd. (北京賽目科技股份有限公司), incorporated under the PRC laws on 24 January 2014 as a limited liability company and wholly converted into a joint stock company under the PRC laws on 8 November 2022
"Controlling Shareholder Group"	Space Technology (Beijing) Co., Ltd.* (空格科技(北京)有限公司), Beijing Tongda Chengye Technology Centre (Limited Partnership)* (北京通達成業科技中心(有限合夥)), Mr. Hu Dalin, Ms. Ma Lei and Mr. He Feng, being a group of controlling Shareholders of our Company pursuant to the Listing Rules
"CSTC"	China Software Testing Centre (Software and Integrated Circuit Promotion Centre of the Ministry of Industry and Information Technology)* (中國軟件評測中心(工業和信息化部軟件與集成電路促進中心))
"Director(s)"	the director(s) of our Company
"Global Offering"	the global offering of 33,333,400 H Shares in total. No H share has been issued by the Company pursuant to the Over-allotment Option
"Group", "our Group", "we" or "us"	our Company and its subsidiaries (or our Company and any one or more of its subsidiary(ies), as the context may require)
"H Share(s)"	overseas-listed share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
"H Shareholder(s)"	holders of H Shares

DEFINITIONS AND GLOSSARY

"HK\$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IFRS(s)"	IFRS Accounting Standards, which include standard(s) and interpretation(s) promulgated by the International Accounting Standards Board, as amended from time to time
"Listing"	listing of the H Shares on the Main Board of the Stock Exchange
"Listing Date"	the date on which our H Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange, i.e. 15 January 2025
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
"Management Group"	collectively, Mr. Hu Dalin ("Mr. Hu"), Mr. He Feng ("Mr. He") and Ms. Ma Lei ("Ms. Ma")
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of our Board
"PRC Company Law" or "Company law"	Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"Prospectus"	the prospectus issued by the Company on 31 December 2024, which is published on the websites of the Company and the Stock Exchange
"Remuneration Committee"	the remuneration and appraisal committee of our Board
"Reporting Period" or "first six months of 2026"	six months ended 30 June 2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC

DEFINITIONS AND GLOSSARY

"Saidi Group"	Saidi Group Institute of Industry and Information Technology (Group) Co., Ltd.* (賽迪工業和信息化研究院(集團)有限公司) (formerly known as Saidi Industry and Information Technology Research Institute Co., Ltd.* (賽迪工業和信息化研究院有限公司) and Saidi Information Industry (Group) Co., Ltd.* (賽迪信息產業(集團)有限公司)), a limited liability company established in the PRC on 13 September 1995 and an indirect Shareholder of our Company through its controlled interest in Saidi Testing and Certification Centre Co., Ltd.* (賽迪檢測認證中心有限公司), a substantial Shareholder of our Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Strategy Committee"	the strategy committee of our Board
"Supervisor(s)"	the supervisor(s) of our Company
"Supervisory Committee"	the supervisory committee of our Company
"Unlisted Shareholder(s)"	holders of Unlisted Shares
"Unlisted Shares"	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are not currently listed or traded on any stock exchange
"%"	percent

In this Interim Report, the terms "associate", "close associate", "connected person", "core connected person", "connected transaction", "subsidiaries", "substantial shareholder" and "controlling shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

The English translation of the original names in Chinese or another language of the nationals, entities, enterprises, organisations, institutions, government authorities, departments, facilities, awards, certificates, titles, laws and regulations concerned included in this Interim Report which are marked with "*" is for identification purpose only. To the extent that there is any inconsistency, the original names in Chinese or another language shall prevail.

FINANCIAL SUMMARY

	Six months ended 30 June		Year-on-year change %
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	
Revenue ⁽¹⁾	73,718	90,959	(19.0)
Gross profit ⁽²⁾	31,688	57,974	(45.3)
(Loss)/profit before income tax	(48,989)	1,388	–
(Loss)/profit attributable to owners of our Company ⁽³⁾	(48,049)	1,316	–
Basic and diluted (losses)/earnings per share (expressed in RMB per share) ⁽⁴⁾	(0.37)/(0.37)	0.01/0.01	–

Notes:

- (1) The revenue decreased by 19.0% from RMB91.0 million for the six months ended 30 June 2025 to RMB73.7 million for the six months ended 30 June 2026.
- (2) The gross profit decreased by 45.3% from RMB58.0 million for the six months ended 30 June 2025 to RMB31.7 million for the six months ended 30 June 2026.
- (3) The (loss)/profit attributable to owners of the Company changed from a profit of RMB1.3 million for the six months ended 30 June 2025 to a loss of RMB48.0 million for the six months ended 30 June 2026.
- (4) The basic losses per share for the six months ended 30 June 2026 amounted to RMB0.37.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

We are a high-tech company in the PRC that specializes in data engineering of artificial intelligence and numerical computing, simulation products, compliance consulting and test verification services, and primarily engaged in the design and R&D of ICV simulation testing products and the provision of related testing, validation and evaluation solutions. ICVs refer to road vehicles equipped with advanced sensors, controllers, and actuators, and is designed with the intelligent and cooperative driving functions. The Group also started to extend the applications of our technologies in other industries. The Group mainly offers (i) ICV simulation testing software and platforms; (ii) ICV data platforms and other products; (iii) ICV testing and related services; and (iv) advisory and other services.

The Group has accumulated rich data, reliable simulation products, an outstanding engineering service team, and a wide range of industrial users. Based on this, we have promptly elevated the overall capabilities of digital AI to the proprietary core technology of physical AI. (i) The new industrial-grade physical AI simulator Sim Pro (in support of scenario databases and cloud (SaaS) deployment) is used for the closed-loop verification of ICV simulation tests; (ii) The proprietary generated scenario databases with cloud-based deployment and the corresponding tools that comply with domestic regulations; (iii) The upgraded expected functional safety (including functional safety) (“SOTIF”) analysis tool Safety Pro; (iv) The newly launched specialized scheduling tool and all-in-one machine product in response to the strong demands of customers. Leveraging its proprietary software and hardware integration capabilities and services, the Group is able to provide customised solutions catering to specific needs of our customers in a flexible, speedy and cost-effective manner. The Group mainly generates revenue from the provision of comprehensive ICV testing, validation and evaluation solutions to state-owned enterprises (“SOEs”) and government authorities in the public sector and automotive manufacturers and technology companies in the private sector.

Technological Accumulation and Core Competencies

During the 14th Five-Year Plan, the Group has fully gone through the entire process of the largest application scenario of artificial intelligence, namely the development of ICV. We have provided services for over 1,000 vehicle models and conducted nearly 10,000 algorithm validations. The above-mentioned accumulation has laid a solid foundation for the Group to upgrade to physical AI. Physical AI is a new stage of digital AI and has gained widespread consensus worldwide.

MANAGEMENT DISCUSSION AND ANALYSIS

In the era of digital AI, the Group focused on the largest application field of artificial intelligence – ICV. The core work lies in serving customers and establishing a closed-loop test and verification system suitable for ICV algorithms. This is prominently reflected in our solid data engineering capabilities, reliable simulation product capabilities, and efficient on-site service capabilities. We have truly and globally implemented a three pillar assessment system, helping customers efficiently enhance their R&D efficiency and reliably improve their safety levels. Through continuous efforts, while effectively implementing advanced technologies on a large scale, we have effectively enhanced the safe driving level of ICV.

During the course of business advancement, the Group has gradually accumulated and formed three core competitive advantages, namely data engineering capabilities, powerful simulator, and reliable service team. During the Reporting Period, the Group has completed at least three external investments related to computing power, further strengthening the foundational conditions for the industrial deployment of Physical AI and providing favorable support for subsequent business expansion.

MARKET OVERVIEW

With the solid advancement of the 15th Five-Year Plan, artificial intelligence has, particularly in the industrial sector, emerged as an important force leading global technological innovation. Among them, ICV has become a basic need for consumers. The rapid introduction and widespread adoption of technology have led to a significant increase in the demand for ICV safety, providing the Group with tremendous development opportunities. The latest ICV algorithms have already been truly integrated into one-piece models installed in vehicles. This poses higher requirements for the capabilities and computing power of service providers. The Group promptly responded to users' needs, effectively elevating dimensions by leveraging the latest advancements in physical AI technology to serve top-tier enterprises within the service sector. The first phase of implementation is approaching the delivery stage. With the arrival of this wave of large-scale installation of one-piece models in vehicles following it, the Group has made adequate preparations for engineering and delivery. As a leading enterprise, the Group possesses formidable technological advantages and a robust market position, which positions us to methodically expand our operations, seize market opportunities, and achieve sustainable growth.

During the Reporting Period, the Group actively expanded its business operations and ramped up investment in research and development. Meanwhile, we keep abreast of industry trends and regulatory policies, consistently enhancing the quality of our products and services to adapt to the ever-changing market and cater to the personalized needs of our clients. These efforts have laid a solid foundation for our business growth.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL BUSINESS PERFORMANCE

During the Reporting Period, the Group achieved operating revenue of approximately RMB73.7 million, representing a decrease of 19.0% compared with the same period of 2025. The profit attributable to owners of the Company changed from a profit of RMB1.3 million for the same period of 2025 to a loss of RMB48.0 million.

Business performance by product/service type

ICV simulation testing software and platforms, ICV data platforms and other products

The Group's products mainly include (i) ICV simulation testing software and platforms; and (ii) ICV data platforms and other products, which are primarily used for testing, validating and evaluating the functional completeness and safety of ICV intelligent driving solutions (including algorithms and their related key components of the intelligent driving system of an ICV), supporting effective regulation and decision-making of ICVs and constructing intelligent connected data centres or intelligent transportation platforms, or meeting regulatory requirements regarding over the air ("OTA") upgrading of vehicles.

In terms of ICV simulation testing software and platforms, during the Reporting Period, the Group's revenue from the sale of ICV simulation testing software and platforms amounted to approximately RMB52.7 million, representing an increase of 7.3% as compared with the same period of 2025. As for ICV simulation testing platforms, the Group supports the development of customised functions to cater to different needs of our customers. The ICV simulation testing platforms implemented by the Group for our customers were either cloud-based (i.e. SaaS solutions) or non-cloud based.

During the Reporting Period, the Group achieved remarkable results in customer expansion and successfully fostered long-term relationships with a number of well-known automobile manufacturers and technology companies. These cooperations have brought us more business opportunities and growth potential. In terms of ICV simulation testing platform, we continued to upgrade our technology and optimize our function so as to ensure that our platform could meet the increasing testing needs of our customers. Especially driven by the world model and artificial intelligence algorithms, our platform is capable of dynamically generating test cases that cover complex scenarios and long-tail distributions, significantly enhancing the test coverage and efficiency. Our SaaS solutions have demonstrated great flexibility and expandability in cloud deployment and have been well received by our customers. Furthermore, the Group has continued to invest in research and development in the area of innovation, promoting technological innovation and product upgrades to provide customers with more advanced and efficient ICV testing, validation and evaluation solutions. These innovations are not only reflected in the improvement of simulation accuracy but also in the integration of the predictive capabilities of world models with the decision-making optimisation capabilities of artificial intelligence, forming a complete closed loop from scenario construction to safety evaluation. These innovations have not only bolstered our market competitiveness, but also injected new momentum into our business growth. In respect of ICV simulation testing standalone software products, the Group's standalone software products were sold to end customers by way of either direct sales or indirect sales. In the first half of 2026, our ICV simulation testing standalone software products received recognition in the market for their high quality and excellent performance.

In terms of ICV data platforms and other products, during the Reporting Period, the Group recognised revenue from the sale of ICV data platforms and other products of approximately RMB0.1 million, representing a decrease of 99.2% as compared with the same period of 2025. As for ICV data platforms, the Group had been involved in the building of ICV data platforms in various cities in the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

The decrease in revenue from the ICV data platform and other products was primarily attributable to (i) the Group's strategic focus shifting towards ICV simulation testing software and platforms, resulting in relatively reduced resource allocation to the data platform business; (ii) no direct sales revenue being recorded from other products (including hardware components such as servers, CPUs and RAM, as well as OTA platforms) during the reporting period; and (iii) delays in the delivery schedule of certain customer projects, coupled with intensified industry competition, which exerted pressure on the revenue and gross profit margins of certain existing data platform products.

Although we did not achieve direct revenue from the sales of other products in the first half of 2026, this does not mean that our efforts and investments in this area were inadequate. We have been actively exploring and developing hardware products that are compatible with the ICV simulation testing platforms and ICV data platforms and other products and products related to OTA regulation. We have also introduced an AI-driven data processing procedure and scene representation technology supported by the world model, enabling the platform to not only efficiently manage massive road test data, but also automatically extract high-value scenarios from it for simulation testing and algorithm iteration, in an effort to provide our customers with a more complete one stop solution. Through in-depth collaboration with multiple hardware suppliers, we have continuously optimized product performance and improved product quality, laying a solid foundation for future market expansion. We believe that with the growing market demand for ICV technology, our other product sales businesses will also experience new growth opportunities.

ICV testing and related services, and advisory and other services

The Group's services include the provision of (i) ICV testing and related services; and (ii) advisory and other services, which help customers test, validate and evaluate the safety and driving capabilities of ICVs, help customers operate and maintain ICV-related platforms. We also offer advice and technical assistance in respect of ICV-related policies, laws and regulations as well as industry standards, assist government authorities in organising conferences and seminars in the ICV and related industries and help government authorities and technology companies in the testing, operation management and other activities of drones.

In terms of ICV testing and related services, the Group is capable of providing customers with comprehensive ICV testing and related services, including (i) simulation tests and related services (which generally require the use of the Group's core technologies, including Sim Pro); (ii) closed-course site tests and related services; and (iii) platform operation and maintenance services.

During the Reporting Period, the Group's revenue from ICV testing and related services amounted to approximately RMB4.1 million.

In terms of advisory and other services, the Group offers advisory and other services to the PRC government authorities or SOEs in the public sector and automotive manufacturers in the private sector. In respect of the Group's advisory services, the Group assists automotive manufacturers in understanding and complying with the ICV-related domestic and international laws, regulations and/or standards, in particular those relating to software upgrade, OTA technology, simulation testing, SOTIF, FuSa, cyber security and data security matters concerning ICVs, by (i) reviewing materials (including R&D and production policies, safety manuals, user manuals, etc.) of our customers and/or their ICV products; and (ii) issuing advisory report which includes policy updates as well as the Group's advice in relation to improving the technologies and/or products of the relevant customers. For the Group's other services, the Group assists government authorities or their SOEs in organising conferences and seminars in the ICV and related industries. During the Reporting Period, the Group's revenue from advisory and other services amounted to approximately RMB16.8 million representing an increase of 26.8% as compared with the same period of 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

On the whole, the Group achieved significant results in the first half of 2026 in terms of advisory and other services. Our consultancy services have successfully assisted a number of automobile manufacturers in improving the safety and compliance of their products through insight and expertise in ICV-related laws, regulations and standards. Our team not only carefully reviewed the customers' materials, but also provided specific advice and improvement solutions based on the latest policy developments. Further, we have achieved excellent performance in assisting government departments in organizing ICV and related industry conferences and seminars. These activities have not only facilitated exchanges and co-operation within the industry, but also enhanced the Group's popularity and influence in the industry.

PROSPECTS AND FUTURE PLAN

Going forward, the Group will maintain its strong commitment to and focus on independent innovation to follow the national development strategies, and increase its investment to R&D and technological innovation, to continuously enhance the core competitiveness of its products and services, capture greater market share in the PRC and further develop and expand its business in overseas markets and other areas. In order to achieve this objective, the Group will pursue the following strategies:

The Group plans to continue to optimise and upgrade its existing solutions and strengthen its technological advantages

The Group has built a relatively comprehensive product matrix and launched core technology tools for commercialization, including Sim Pro, Safety Pro and other solutions, and the Group believes that its future success will continue to be closely related to its ability to develop or improve such tools and related technologies. As such, the Group plans to increase its investment in the continuous optimisation and upgrade of its existing solutions:

- **Sim Pro:** We will further incorporate the world model to achieve highly accurate characterization of the physical properties of the sensors, as well as an AI-driven data closed-loop iterative mechanism to upgrade and optimise models for an array of real-world physical sensors such as cameras, LiDAR and millimetre-wave radar, upgrade and optimise the vehicle-cloud-vehicle data closed-loop based on cloud simulation, and upgrade and optimise the module within Sim Pro, so as to enhance the performance of the XiL testing.
- **Safety Pro:** We will incorporate artificial intelligence algorithm technology to upgrade and optimise the new function of intelligent analysis, and upgrade and optimise the function of automatic generation of FuSa and SOTIF scenario databases.
- **Traffic Pro:** We will incorporate the concept of the human world model to optimise the high-precision real-time data processing engine, develop more optimisation algorithms for intelligent signal light based on deep learning and big data analysis, and enhance the compatibility of Traffic Pro with different software and systems.
- **SceCo Pro:** Developing the function of integrating data from multiple sources, such as data collected from sensors on the vehicles and map data, developing the function of cloud deployment, developing the function of automatic generation of customised scenarios. Leveraging the integration and representation capabilities of the world model for multi-source data, as well as the automatic combination and generalisation of scene elements by artificial intelligence, it significantly improved the efficiency and coverage of customised scenario generation.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group plans to increase its investment in the innovation and enhancement of new products and solidify its leading market position in the industrial artificial intelligence field

In order to maintain its competitiveness in the industry, the Group will continue to develop and commercialise new products and continuously diversify its product portfolio in respect of ICV testing, validation and evaluation. In the near term, the Group intends to focus its efforts on the following tools which are developed based on one or more modules within its Sim Pro tool chain, which include SGO Pro, DB Pro, Cloud Pro. With its continued R&D investment, the Group believes it is able to stay at the forefront of simulation technology development and product innovations to better serve the demands of customers in the rapidly evolving ICV industry.

The Group plans to grow its customer base and expand its market coverage globally

The Group plans to further expand its geographic coverage and deepen its customer relationships to accommodate the market growth and capture greater business opportunities in the ICV testing, validation and evaluation solutions industry and strengthen its market position. Specifically, the Group plans to expand its business into more cities in China where many market players in the automotive and ICV industries are located or where laws, regulations and policies supportive of the industry development are in place. The Group would also consider setting up representative office and R&D center in Hong Kong so as to lay the groundwork for expanding its presence in overseas markets, and exploring opportunities with overseas partners to introduce the Group's solutions into more international markets. In executing the above expansion plans, the Group intends to enhance its sales and marketing efforts through (i) expanding and improving the capabilities of its domestic sales and marketing team; and (ii) participating in and organising more industry events such as conferences, seminars and trade fairs in mainland China and Hong Kong. With its established industry reputation and technological capabilities, the Group believes it is capable of acquiring new customers and undertake more ICV testing, validation and evaluation-related projects in the coming years.

The Group plans to grow its talent pool to support its business development plans

The Group believes that technical talents are essential for it to pursue technology innovations and carry out its product development plans. The Group will continue to invest in and expand its R&D team by attracting technical staff with extensive expertise and experience in areas such as artificial intelligence, world model construction, generation of large-scale simulation scenarios, software development, algorithms, vehicle testing, industry research and product design, so as to execute its R&D strategies. Apart from R&D talents, the Group will also focus on recruiting more professionals with (i) sales and marketing expertise and experiences to support its domestic expansion plans; and (ii) management expertise and experiences, especially in relation to project management and execution, to enhance the operational and managerial capabilities of its management team. The Group will also optimise its talent training system constantly to facilitate the technical and occupational development of its employees and offer them a platform to achieve future success.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group plans to expand the application of simulation technologies and explore business opportunities in other industries

With its proprietary core technologies as well as technical know-how and expertise accumulated over the years, the Group plans to explore new commercialisation opportunities and application scenarios of its simulation technologies in the following areas:

- **Physical AI:** Leveraging the profound foundation (such as methodologies, technical systems, data assets, laboratory facilities and customer resources) accumulated over a long period in the field of autonomous driving test and verification, the Group generalises these capabilities upwards to the native technology architecture of embodied intelligence. In respect of products, the Group integrates high-density heterogeneous computing power, ultra-fast distributed storage, and a full-stack self-developed software ecosystem, and deeply internalises these capabilities into the core areas such as 4D reconstruction of time-space, physical intelligence deduction, and closed loop of digital twin simulation.
- **Virtual ECU and chip simulation:** The Group has developed electronic digital twin technology and virtual ECU-related products by introducing strategic investment to a subsidiary controlled by it, Zhejiang Saimo Technology Co., Ltd., thereby building full-chain automotive electronics simulation capabilities. Leveraging the electronic digital twin core engine independently developed by the Group, eTwins MFMT System, we provide new solutions for the research and development, testing, and verification of automotive electronics through high-precision modeling, real-time simulation, and data-driven optimisation capabilities. This business extends the simulation capabilities of the Group from the vehicle level to the chip level, opening up this billion-dollar incremental market for semiconductor simulation.
- **Drone-related solutions:** Currently, the low-altitude economy is in a period of intensive policy implementation. Zhejiang Fly Here Technology Co., Ltd. (浙江這裏飛科技有限公司) (a company controlled by the Group) is a technology company specialising in low-altitude drone operation services and intelligent airspace management. Leveraging technologies such as artificial intelligence, 5G communication, the Internet of Things, and big data, the Company has independently developed low-altitude operation service platforms, integrated low-altitude application service platforms, and comprehensive low-altitude economic industry service platforms for urban scenarios. These platforms provide local governments, drone enterprises, and users with technical support and operational service solutions for low-altitude operations, including drone testing and evaluation, aeronautical information, intelligent airspace management, operational support, planning and construction of takeoff and landing infrastructure for drones, research on standards and regulations, and low-altitude development consulting. Benefits of recent policies have also provided broad development opportunities for the low-altitude economic business of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group offers ICV testing, validation and evaluation products and services to customers. During the Reporting Period, revenue of the Group was derived from (i) the sale of its products; and (ii) the provision of its services. The revenue of the Group decreased by RMB17.2 million (or approximately 19.0%) from RMB91.0 million for the first six months of 2025 to RMB73.7 million for the first six months of 2026, which was mainly due to a decrease in revenue generated from ICV data platforms and ICV testing and related services. The following table sets forth a breakdown of our revenue attributable to our products and services for the periods indicated:

Revenue contributed from	Six months ended 30 June			
	2026		2025	
	RMB'000 (Unaudited)	%	RMB'000 (Unaudited)	%
Products				
– ICV simulation testing software and platforms	52,662	71.4	49,073	54.0
– ICV data platforms and other products	147	0.2	19,331	21.3
Subtotal	52,809	71.6	68,404	75.3
Services				
– ICV testing and related services	4,109	5.6	9,310	10.2
– Advisory and other services	16,800	22.8	13,245	14.5
Subtotal	20,909	28.4	22,555	24.7
Total revenue	73,718	100	90,959	100

Cost of sales

Cost of sales of the Group increased by RMB9.0 million (or approximately 27.4%) from RMB33.0 million for the first six months of 2025 to RMB42.0 million for the first six months of 2026, which was mainly due to the increased procurement.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and gross profit margin

Gross profit of the Group decreased by RMB26.3 million (or approximately 45.3%) from RMB58.0 million for the first six months of 2025 to RMB31.7 million for the first six months of 2026, which was mainly due to a decrease in gross profit resulting from the decline in revenue. The overall gross profit margin of the Group decreased from 63.7% for the first six months of 2025 to 43.0% for the first six months of 2026, which was mainly due to the increased hardware costs and higher customization requirements for the ICV simulation testing software and platforms.

Other income

Other income of the Group decreased by RMB6.7 million (or approximately 46.1%) from RMB14.6 million for the first six months of 2025 to RMB7.9 million for the first six months of 2026, which was mainly due to a decrease in government grants, partially offset by an increase in VAT refunds.

Other gains, net

Other gains, net of the Group increased from a gain of RMB0.5 million for the first six months of 2025 to a gain of RMB1.3 million for the first six months of 2026, which was mainly due to the fair value changes of the financial assets measured at fair value through profit or loss.

Selling and marketing expenses

Selling and marketing expenses of the Group decreased by RMB0.4 million (or approximately 8.6%) from RMB4.3 million for the first six months of 2025 to RMB3.9 million for the first six months of 2026, which was mainly due to the optimisation of sales resource allocation and corresponding decrease in related service fees and labor costs.

General and administrative expenses

General and administrative expenses of the Group decreased by RMB2.3 million (or approximately 13.0%) from RMB17.7 million for the first six months of 2025 to RMB15.4 million for the first six months of 2026, which was mainly due to a decrease in bonus and activity expenses related to listing.

R&D expenses

R&D expenses of the Group increased by RMB8.2 million (or approximately 15.2%) from RMB54.5 million for the first six months of 2025 to RMB62.7 million for the first six months of 2026, which was mainly due to an increase in depreciation and amortisation expenses for equipment and intangible assets related to the R&D activities.

Provision and reversal of impairment losses on financial and contract assets

Impairment losses on financial and contract assets of the Group changed by RMB5.0 million (or approximately 167.2%) from a reversal of RMB3.0 million for the first six months of 2025 to a provision of RMB2.0 million for the first six months of 2026, which was attributable to the extended aging profile of certain outstanding balances. These receivables are currently under active collection in the normal course of business.

MANAGEMENT DISCUSSION AND ANALYSIS

Share of (loss)/profit of investments accounted for using the equity method

Share of (loss)/profit of investments accounted for using the equity method of the Group decreased by RMB0.4 million (or approximately 1,050.0%) from a profit of RMB34,000 for the first six months of 2025 to a loss of RMB323,000 for the first six months of 2026, which was mainly due to a decrease in the operating results of the joint venture company, Beijing Dysprosium Data Technology Co., Ltd. ("Beijing Dysprosium") for the first six months of 2026 compared to the first six months of 2025.

Finance (costs)/income, net

Finance (costs)/income, net of the Group shifted from finance income of RMB1.7 million in the first half of 2025 to finance expense of RMB5.5 million in the first half of 2026, representing a change of RMB 7.2 million (approximately 424.2%). This was primarily attributable to the increase in foreign exchange losses during the reporting period as a result of fluctuations in the USD and HKD exchange rates.

Income tax expenses

Income tax expense of the Group for the first six months of 2026 was RMB0.2 million, decreasing from the income tax expense of RMB1.0 million for the same period of 2025, which was mainly due to the decrease of the deferred income tax expenses.

(Loss)/profit for the period

(Loss)/profit for the period of the Group changed from a profit of RMB0.4 million for the first six months of 2025 to a loss of RMB49.2 million for the first six months of 2026. The decline in the Group's operating performance was primarily attributable to increased equipment investing leading to higher depreciation and amortization expenses as well as intensified industry competition and changes in technology solutions adopted by customers, which exerted pressure on the revenue and gross profit margins of certain existing products of the Group.

Non-IFRS measure

To supplement our interim consolidated financial statements, which are presented in accordance with IFRSs, our Group also uses adjusted profit/(loss) (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRSs. The Group believes that this non-IFRS measure facilitates comparisons of our operating performance between different financial years and different entities by eliminating the potential impact of certain items. The Group also believes that this non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted profit/(loss) (non-IFRS measure) may not be comparable to similarly titled measures presented by other entities. The use of this non-IFRS measure has limitations as an analytical tool, and it should not be considered in isolation from, or as a substitute for an analysis of, results of operations or financial condition of the Group as reported under IFRSs. The Group defines adjusted profit/(loss) (non-IFRS measure) as profit for the period which is adjusted by eliminating (i) share-based payment expenses; and (ii) listing expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table reconciles our adjusted profit/(loss) for the period indicated (non-IFRS measure) presented in accordance with IFRSs, which is profit for the periods indicated:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(Loss)/profit for the period	(49,151)	389
Add:		
– Share-based payment expenses ^(Note 1)	604	604
– Listing expenses ^(Note 2)	–	580
Adjusted (loss)/profit for the period (non-IFRS measure)	(48,547)	1,573

Notes:

- (1) Share-based payment expenses are adjusted for as they are non-cash in nature and do not result in cash outflow.
- (2) Listing expenses are adjusted for as they were incurred for the purpose of the Listing.

Equipment, right-of-use assets and intangible assets

The equipment of the Group decreased from RMB114.0 million as at 31 December 2025 to RMB97.1 million as at 30 June 2026, mainly as a result of depreciation and disposal of fixed assets during the Reporting Period. The right-of-use assets of the Group decreased from RMB39.0 million as at 31 December 2025 to RMB30.4 million as at 30 June 2026, mainly as a result of depreciation of right-of-use assets. The intangible assets of the Group increased from RMB41.5 million as at 31 December 2025 to RMB42.0 million as at 30 June 2026, which was mainly due to new addition of intangible assets. The intangible assets primarily represent simulation, modelling and algorithm software programmes of the Group for its government-commissioned projects and R&D purpose, internally generated intangible assets and other business and financial software for its business operations.

Financial assets at fair value through profit or loss

The financial assets at fair value through profit or loss of the Group decreased from RMB285.2 million as at 31 December 2025 to RMB145.0 million as at 30 June 2026, which was mainly due to fund redemptions and a change in the accounting treatment of the equity interest held in Ruifeng Power Group Company Limited.

MANAGEMENT DISCUSSION AND ANALYSIS

Trade and notes receivables

Trade and notes receivables of the Group decreased from RMB255.8 million as at 31 December 2025 to RMB220.3 million as at 30 June 2026, which was primarily driven by both new receivables from revenue recognition and the collection of existing receivables. Trade and notes receivables turnover days for the first six months of 2026 amounted to 584.4 days (the first six months of 2025: 352.6 days).

Prepayments and other receivables

Prepayments and other receivables of the Group amounted to RMB156.5 million as at 30 June 2026, representing an increase of RMB137.5 million as compared to RMB19.0 million as at 31 December 2025, which was mainly due to the increase in advance payments to suppliers during the Reporting Period.

Current assets

Current assets of the Group increased from RMB656.7 million as at 31 December 2025 to RMB738.4 million as at 30 June 2026, which was mainly due to the increase in cash and cash equivalents, as well as prepayments and other receivables.

Liquidity and capital resource

The Group used to finance operations primarily through a combination of (i) capital contribution; and (ii) operating cash flows. The cash and cash equivalents of the Group increased from RMB235.5 million as at 31 December 2025 to RMB244.1 million as at 30 June 2026, which was mainly attributable to operating activities. As of 30 June 2026, the cash and cash equivalents of the Group were denominated in RMB, Hong Kong dollars and US dollars.

The Group adopts a prudent financial management approach towards its treasury policies. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Net cash generated from operating activities

Net cash generated from operating activities of the Group decreased by RMB40.0 million (or approximately 73.7%) from RMB54.2 million for the first six months of 2025 to RMB14.2 million for the first six months of 2026. This decline was primarily driven by the decrease in revenue, compounded by the increased hardware costs and higher customization requirements for the ICV simulation testing software and platforms. Consequently, the operating cash flow before changes in working capital was approximately RMB3.8 million, and working capital changes adjustments were RMB8.9 million.

Net cash generated from/(used in) investing activities

The Group's net cash generated from investing activities of RMB9.2 million for the first six months of 2026 compared to the net cash used in investing activities of RMB320.3 million for the first six months of 2025, which was mainly attributable to the redemption of short-term investments measured at fair value through profit or loss.

MANAGEMENT DISCUSSION AND ANALYSIS

Net cash (used in)/generated from financing activities

Net cash (used in)/generated from financing activities of the Group changed from a cash inflow of RMB357.3 million for the first six months of 2025 to a cash outflow of RMB8.1 million for the same period of 2026, which was primarily due to the absence of listing proceeds this year, compared with last year.

Borrowings

As of 30 June 2026, we did not have any external borrowings or loans (31 December 2025: nil).

Lease liabilities

The lease liabilities of the Group amounted to RMB43.9 million as at 30 June 2026, representing a decrease of RMB7.1 million as compared to RMB51.0 million as at 31 December 2025, which was mainly due to the payment of rent for the National Intelligent Vehicles and Intelligent Transport (Jing Ji) Demonstration Zone Shunyi Base ("Shunyi Testing Site") in accordance with the contract in the first half of 2026.

Trade and notes payables

Trade and notes payables of the Group decreased from RMB27.7 million as at 31 December 2025 to RMB8.1 million as at 30 June 2026, which was mainly due to the payment to suppliers during the Reporting Period. The trade and notes payables turnover days for the Reporting Period was 77.3 days (the first six months of 2025: 32.8 days).

Gearing ratio

As of 30 June 2026, the Group's gearing ratio which was calculated as the percentage of bank borrowings to total equity was nil (31 December 2025: nil). There was no change in the gearing ratio for the Reporting Period.

Pledge of assets

As at 30 June 2026, the Group did not have any pledged assets.

Foreign exchange risk

The Group's business is primarily conducted in RMB, and most of its assets are denominated in RMB. The Group's foreign exchange risk primarily arises from fluctuations in the US dollar/RMB and Hong Kong dollar/RMB exchange rates. As of now, the Group has not established any foreign currency hedging policies. However, the Board will monitor such risks and, if necessary, consider hedging against any significant foreign currency risks that may arise.

Contingent liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities (As of 31 December 2025: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Capital commitments

The Group's capital commitments not yet paid as at 30 June 2026 increased by RMB34.9 million mainly due to investments in joint ventures and other strategic investments, compared to the last year end.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company has been successfully listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") following the completion of global offering of ordinary shares of the Company, including, a public offering in Hong Kong of 3,333,400 H shares and an international offering of 30,000,000 H shares, at a price of HK\$12.99 per share (collectively the "Global Offering") on 15 January 2025.

The Company issued 33,333,400 H Shares, with a nominal value of RMB1 per share, in the Global Offering at an offering price of HK\$12.99 per H share. After deducting the underwriting commissions and other expenses in connection with the Global Offering, net proceeds from the Global Offering were approximately RMB328.8 million ^(note) (approximately equivalent to HK\$356.2 million). The table below sets out the utilization of proceeds from the Global Offering by the Company as of 30 June 2026:

Purpose	Amount of net proceeds allocated (RMB million)	Percentage of total amounts of net proceeds %	Net proceeds unutilized as at 31 December 2025 (RMB million)	Net proceeds utilized during the Reporting Period (RMB million)	Net proceeds unutilized as at 30 June 2026 (RMB million)	Expected timelines for use of proceeds
Ongoing R&D investment						By December 2027
– R&D of our existing solutions, including Sim Pro, Safety Pro, SceCo Pro, and Traffic Pro	57.5	17.5%	32.7	13.6	19.1	
– R&D of new tools SGO Pro, DB Pro and Cloud Pro, as well as the lease of cloud services and development of own cloud infrastructure of the Group	101.3	30.8%	101.3	–	101.3	
– R&D activities for penetrating into new industries, namely drones, digital city twin and intelligent agriculture-related industries	45.7	13.9%	45.7	10.8	34.9	
Geographic expansion and marketing of products and services of the Group	91.4	27.8%	91.4	–	91.4	By December 2027
General corporate purposes and to supplement our working capital	32.9	10.0%	6.3	3.8	2.5	By December 2027
Total	328.8	100%	277.4	28.2	249.2	

Note: Based on the actual settlement of listing expenses with suppliers, the actual listing expenses have been adjusted from the projected amount, and the net proceeds have also changed from the projected amount.

MANAGEMENT DISCUSSION AND ANALYSIS

For the period from 22 January 2025 to 9 May 2025, the Company utilised a portion of the unutilised net proceeds amounting to approximately RMB193.0 million to subscribe for certain notes and fund products (the “Products”). As at the date of this report, all such net proceeds previously utilised to subscribe for the Products have been redeemed. For details, please refer to the announcements of the Company dated 24 December 2025 and 6 January 2026.

As at the date of this report, save as disclosed above, the net proceeds from the Global Offering were used in the manner consistent with that mentioned in the section headed “Future Plans and Use of Proceeds” in the Prospectus, and there was no change in the intended use of net proceeds as disclosed in the Prospectus.

Please refer to the section headed “Future plans and use of proceeds – Use of proceeds” in the Prospectus for further information.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The investment objective of the Group is to enhance the corporate value to the shareholders of the Company (“Shareholders”). The strategy of the Group is to identify and invest in both listed and unlisted investments with potential of growth within their industries. In identifying potential investment, the Group will consider its business segment, operation, current value and the potential of going public. Currently, the Group has no specific industry focus on potential investment.

As at 30 June 2026, the Group held the following significant investment:

Investment in Ruifeng Power Group Company Limited (瑞豐動力集團有限公司) (“Ruifeng Power”)

Information for this investment:

- (a) information of Ruifeng Power: According to the publicly available information, Ruifeng Power is an exempted company limited by shares incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2025). Ruifeng Power and its subsidiaries (the “Ruifeng Power Group”) are principally engaged in the design, development, production and sales of cylinder blocks, as well as cylinder heads and certain cylinder block components and others, to automobile manufacturers and engine manufacturers in the PRC.
- (b) The Group purchased 4,160,000 and 6,760,000 shares of Ruifeng Power (“Ruifeng Power Shares”) at HK\$7.18 and HK\$10.30 per share on September 19, 2025 and October 16, 2025, respectively, the total consideration of which is approximately HK\$99.5 million. As at 30 June 2026, the Company holds approximately 10,920,000 shares of Ruifeng Power, representing approximately 1.365% of the issued share capital of Ruifeng Power.
- (c) As at 30 June 2026, the fair value of the Ruifeng Power Shares is HK\$133,442,400 (equivalent to RMB115,901,000), representing approximately 10.5% of the Company’s total assets as at 30 June 2026.

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- (d) For the Reporting Period, realised gain and unrealised gain from the investment in Ruifeng Power Shares were HK\$0 and HK\$3,494,400 respectively. The Company has received dividends of HK\$0 during the Reporting Period.

For a detailed understanding of the performance and future prospects of the investment in Ruifeng Power Shares, please refer to the published annual/interim reports of Ruifeng Power as disclosed on the website of the Stock Exchange. For other details of the purchase of Ruifeng Power Shares, please refer to the announcement of the Company dated 16 October 2025.

Deemed Disposal of Equity Interest in Zhejiang Saimo

On 6 January 2026, the Company, Zhejiang Saimo Technology Co., Ltd.* (浙江賽目科技有限公司) ("Zhejiang Saimo") and Shanghai Shuxin Juhui Enterprise Management Consulting Partnership Enterprise (Limited Partnership), Shanghai Xinhui Technology Partnership Enterprise (Limited Partnership), and Jing Wei entered into an Investment Agreement and a Shareholders Agreement. Pursuant to the Investment Agreement, *inter alia*, the Investors (as defined in the announcement of the Company dated 6 January 2026) have agreed to contribute to Zhejiang Saimo by way of intellectual property and cash, subscribing for the increase in the registered capital of Zhejiang Saimo in the amount of RMB9,607,843 in exchange for an aggregate of 49% equity interest in Zhejiang Saimo. Upon completion of the capital increase, the registered capital of Zhejiang Saimo will increase from RMB10,000,000 to RMB19,607,843, and the Company and the Investors will directly hold approximately 51% and 49% equity interest in Zhejiang Saimo, respectively. Please refer to the announcements of the Company dated 6 January 2026 and 26 January 2026 for more details.

Establishment of a joint venture

In April 2026, the Company signed the articles of association of joint venture and joint venture operating contracts (collectively, the "Contracts") with Robert Bosch International Investment Co., Ltd. ("RBINT") and Bosch (China) Investment Co., Ltd. ("RBCN", together with RBINT, "Bosch"), both of which are controlled by Robert Bosch GmbH in Germany. Pursuant to the Contracts, the Company and Bosch agree to jointly invest in the establishment of a joint venture company in the People's Republic of China, namely Saishi Space Engine (Beijing) Intelligent Technology Co., Ltd. ("Saishi Space"). The Company holds 62.5% equity interest in Saishi Space.

For the first six months of 2026, save as disclosed in this report, the Company had no significant investments.

For the first six months of 2026, save as disclosed in this report, the Company had no material acquisitions and disposals of subsidiaries, associates and joint ventures.

MANAGEMENT DISCUSSION AND ANALYSIS

INVESTMENTS IN OTHER FINANCIAL ASSETS

The table below sets out the details of the Group's financial assets at fair value through profit or loss as of 30 June 2026.

I. DETAILS OF INVESTMENT PORTFOLIO

As at 30 June 2026, the Group held a number of investments, including investments in shares and wealth management products. Set out below are details of the investments held by the Group as at 30 June 2026:

Unit: RMB'000

	Carrying Amount	Fair Value	Source of Funds	Purchase Date	Investment Period	Redemption Date	Investment Performance during the Reporting Period
Investment in Guoqi Intelligent Control	29,912	29,912	The Group's own funds	26 August 2020	N/A	N/A	–
Investment in Shenzhen Saijian Testing Technology Co., Ltd. ("Shenzhen Saijian Testing")	15,000	15,000	The Group's own funds	18 June 2026	N/A	N/A	–
China Minsheng Bank structured deposits	15,034	15,034	The Group's own funds	9 April 2026	6 July 2026	6 July 2026	34
China Minsheng Bank structured deposits	30,074	30,074	The Group's own funds	3 April 2026	6 July 2026	6 July 2026	74
China Merchants Bank structured deposits	15,009	15,009	The Group's own funds	10 June 2026	11 August 2026	11 August 2026	9
China Merchants Bank structured deposits	10,000	10,000	The Group's own funds	30 June 2026	30 September 2026	30 September 2026	–
Bank of China structured deposits	14,005	14,005	The Group's own funds	9 June 2026	10 September 2026	10 September 2026	5
Bank of China structured deposits	16,006	16,006	The Group's own funds	10 June 2026	12 September 2026	12 September 2026	6
Total	145,040						

1. Equity investments

- (1) Investment in Guoqi Intelligent Control: Guoqi Intelligent Control was established on 31 July 2020 by the Group together with other investors, with the Group holding a 7.5% equity interest upon its establishment. As of now, the Group's shareholding percentage stands at 3.4404%. Guoqi Intelligent Control is primarily engaged in ICV technology development. The Group intended to hold the shares as a long-term strategic investment to establish an industrial cooperation relationship with Guoqi Intelligent Control, facilitate the application of technologies such as ICV, vehicle control operating systems, and computing basic platforms and enhance synergies within the industrial ecosystem.
- (2) Investment in Shenzhen Saijian Testing: Shenzhen Saijian Testing was established on 6 February 2026 by the Group in conjunction with other investors. At the time of its establishment, the Group held 40% of equity interests in the company, and to date, the Group's shareholding is 16.6666%. Shenzhen Saijian Testing is principally engaged in inspection, testing and certification services. This investment represents a strategic move by the Group to expand its testing and certification capabilities horizontally from the intelligent connected vehicle sector into the consumer electronics sector, which will assist the Group in entering the incremental testing market at a lower marginal technical cost and enhance synergies across the cross-sector industrial ecosystem.

MANAGEMENT DISCUSSION AND ANALYSIS

II. INVESTMENT POLICY

1. *Investment Strategies*

The Group's investment objective is to enhance corporate value for the shareholders of the Company. To achieve this objective, the Group will identify listed and unlisted investment opportunities with investment value based on its actual circumstances, taking into account the relevant investment's business operations, operating performance, valuation, development potential, synergies with the Group's existing businesses and other relevant factors.

Currently, the Group does not have a specific industry focus for potential investments. Depending on its investment objectives and actual business needs, the Group may make strategic investments in enterprises or projects that support the development of the Group's businesses, create synergies or with other strategic value. These considerations do not constitute restrictions on the industries or scope of potential investments.

In addition, subject to compliance with the Listing Rules and applicable regulatory requirements, and provided that the safety and liquidity of funds are ensured, the Group may appropriately manage its idle funds to improve the efficiency of fund utilisation, obtain reasonable returns and meet the funding requirements for daily operations and business development.

2. *Investment Scope*

Based on the above investment objective and strategies, the Group's principal investment scope currently includes the following:

(1) *Strategic investments*

Investments in listed or unlisted enterprises or projects that support the development of the Group's businesses, create synergies or with other strategic value. Such investments are not limited to any specific industry.

(2) *Investments in funds, wealth management products and cash management products*

Management of funds through subscriptions for fund products, structured deposits, wealth management products and other cash management products, with a view to balancing the efficiency of fund utilisation, returns, liquidity and safety.

The above investment scope is a summary of the Group's current principal investment types and does not constitute a restriction on the Group's future investment scope.

3. *Prohibited investment scope*

The Company's investment policy expressly prohibits investment in the following categories:

- (1) High-risk products: including but not limited to leveraged transactions, margin trading, and other structurally complicated financial products whose risks are uncontrollable;
- (2) Investments that may disrupt business operations or capital expenditure: any investment that may affect the Company's normal technology research and development, business expansion, and capital expenditure plans;

MANAGEMENT DISCUSSION AND ANALYSIS

- (3) Investments involving sanctioned entities or individuals: investments that are in breach of applicable laws and regulations, including investments involving entities or individuals on the sanctions lists of the United Nations, the PRC, Hong Kong, or the United States;
- (4) Cryptocurrencies and related products: including but not limited to digital tokens, cryptocurrencies, and derivatives thereof; and
- (5) Other investments prohibited by applicable laws and regulations and the Listing Rules.

4. *Consistency of the investment strategy with the principal business and fund management strategy*

The Company's investment strategy is highly consistent with its corporate strategy and fund management strategy, which are set out below:

- (1) Strategic synergy with the principal business: In considering strategic investment opportunities, the Company may, among other factors, take into account the potential synergies between an investment and the Group's existing businesses and development needs. The Company's strategic investment in Ruifeng Power is aimed at facilitating the application of technologies such as industrial simulation and digital twins, which is highly aligned with the Company's strategic direction of extending its simulation technology into physical-based AI and embodied intelligence. The investment in Guoqi Intelligent Control also focuses on the upstream and downstream segments of the intelligent connected vehicle industry chain, helping to enhance synergies within the industrial ecosystem. Such investments were made primarily for strategic and industrial synergy purposes rather than for the pursuit of short-term financial returns; and
- (2) Consistency with the fund management strategy: Subject to ensuring sufficient working capital for daily operations and without affecting technology research and development expenditure, the Company deploys idle funds in phases into short-term, low-risk, and redeemable-on-demand fund products and structured deposits to improve fund utilisation efficiency. The primary purpose of such deployment is not to pursue high-risk returns, but to preserve and enhance the value of idle funds, which is in line with the Company's prudent fund management principles. The Company has stable cash flows from operating activities, providing strong support for technological iteration and business expansion. The cash used in investment activities represents a reasonable arrangement serving the development of the principal business and fund management needs.

MANAGEMENT DISCUSSION AND ANALYSIS

III. RISK MANAGEMENT AND CONTROL MEASURES

The Company has established a robust corporate governance, compliance and risk management system. The Company's risk management and control measures for investment activities include:

- (1) Investment size limits: When making investment decisions, the Company sets limits on the size of individual investment projects (not exceeding 5% of the Company's latest audited total assets, and strategic investments approved in advance by the Board are not subject to the above individual investment size limit) to ensure diversification of the investment portfolio and that overall risks remain controllable;
- (2) Liquidity management: The Company closely monitors the liquidity of investment products to ensure that sufficient working capital and cash reserves are maintained;
- (3) Counterparty risk management: When selecting fund products and financial instruments, the Investment Management Team assesses the credit standing of counterparties and gives priority to financial institutions with good reputations and sound financial conditions;
- (4) Investment period: The investment period for cash management products such as structured deposits and money market funds generally shall not exceed 12 months; strategic investments may be subject to the conditions of strategic synergy and have no specific restriction;
- (5) Stop-loss and pre-warning indicators: Where the fair value of an individual investment decreases by 10% of its investment cost, an internal pre-warning shall be triggered, and the Investment Management Team shall assess whether to continue holding the investment or commence exit procedures. Where the fair value of an individual investment decreases by 20% of its investment cost, exit procedures shall, in principle, commence. If an immediate exit is not possible due to market liquidity or other reasons, the Board shall be informed and an action plan shall be provided. Structured deposits and principal-protected wealth management products are relatively low-risk by nature and therefore are not subject to stop-loss limits; and upon maturity, an assessment shall be conducted as to whether they should be renewed;
- (6) Concentration indicators: The cost of a single investment shall not exceed 5% of the Company's latest audited total assets; the total cost of financial investments in the same category of products shall not exceed 40% of the total investment portfolio; the concentration of strategic investments shall be commensurate with their relevance to the ecosystem of the Company's principal businesses and, in principle, shall not exceed 50% of the total investment portfolio;
- (7) Liquidity indicator: The Company shall maintain cash and cash equivalents of not less than 10% of its latest audited total assets to ensure sufficient working capital for daily operations; and
- (8) Ongoing monitoring: The Company regularly reviews the performance and risk profile of its investment portfolio and reports to the Board of Directors as appropriate.

MANAGEMENT DISCUSSION AND ANALYSIS

IV. APPROVAL AND SUPERVISION MECHANISM

The Group reviews and supervises investment activities through a multi-level governance structure. The Board retains ultimate oversight responsibility for the Group's investment activities and, pursuant to the Company's internal approval procedures and the applicable requirements of the Listing Rules, reviews and approves investment matters that are required to be submitted to the Board for consideration.

The approval and supervision mechanism for the Company's investment activities mainly include the following procedures:

- (1) Preliminary Review: The relevant business personnel responsible for the investment project shall submit complete documentation, and each functional department shall conduct professional reviews in sequence. The Finance Department is responsible for performing the size tests required under the Listing Rules; the Legal and Compliance Department is responsible for identifying and confirming whether the transaction involves any related parties and/or connected persons; and the Capital Markets Department determines the internal decision-making procedures required for the investment and the applicable notification, announcement and/or shareholder's approval requirements under the Listing Rules based on the results of the relevant tests and reviews.

Following the preliminary assessment by the Company's Finance Department, the Legal and Compliance Department and the Capital Markets Department, the Chief Financial Officer assists in reviewing the applicable Listing Rules requirements in respect of each potential notifiable transaction, and promptly reports the relevant results to the General Manager and/or the Board (as the case may be) for further consideration and approval prior to entering into any binding agreement. Where any doubt exists or as appropriate, the Company will seek legal advice.

- (2) Approval: Depending on the nature and scale of the investment and the results of the above reviews, the relevant investment shall be submitted to the General Manager, the Board and/or the shareholders' general meeting (if applicable) for review and approval in accordance with the Company's internal approval procedures and the applicable provisions of the Listing Rules. If the investment is subject to notification, announcement or approval procedures under the Listing Rules, the Company will complete such procedures before making the investment.
- (3) Ongoing Monitoring and Review: The Company regularly reviews the performance and risk profile of its investment portfolio and reports to the Board as appropriate. The Investment Management Team participates in the management of investment activities in accordance with the Company's investment management mechanism. The Board exercises overall supervisory responsibility over the Group's investment activities by reviewing investment matters and related reports.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at the date of this report, save as disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus and in this report, the Group has no other future plans for any other material investments and capital assets.

EMPLOYEE AND REMUNERATION POLICY

As of 30 June 2026, the Group had a total of 165 employees (30 June 2025: 162). For the first six months of 2026, the Group’s staff cost amounted to approximately RMB32.0 million (same period of 2025: approximately RMB33.5 million).

The Group’s employee remuneration policy is determined by taking into account factors such as the remuneration in the local market, the overall remuneration level in the industry, operating efficiency, position and employees’ performance. We provide both internal and external training sessions to our employees to improve their work performances. Our internal training includes induction training and on-the-job training which can be conducted either physically or remotely. It covers various aspects of our employees’ development, which include, among other things, data security awareness, general skills, professional skills and management capabilities. We also encourage and, to some extent, sponsor our employees to attend external training programmes from time to time to further improve their technical knowledge and professional skills. In addition to basic salaries, our employees are entitled to annual performance-based compensation based on our employees’ job performance. We had the Employee Incentive Scheme and the 2025 H Share Award Trust Scheme (adopted on 17 June 2025) to motivate our key management and skilled personnel. We participate in housing fund and employee social security plans organised by applicable local PRC government authorities, including housing provident fund, pension, medical, work-related injury, maternity and unemployment benefit plans, under which we have made contributions at specified percentages of the salaries of our employees in the PRC where applicable.

The Group offers our executive Directors, Supervisors and senior management members, who are also employees of our Company, emolument in the form of remuneration, pension, performance-based compensation and other welfares. Our independent non-executive Directors receive emolument based on their responsibilities (including being members or chairperson of Board committees).

As of 30 June 2026, the Group did not experience any major difficulties in recruitment, nor experience any substantial loss in manpower or any material labor dispute.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, there was not any material and important events affecting the Group that occurred after 30 June 2026 and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of stringent corporate governance practices and procedures, and continuously striving to maintain a high standard of corporate governance, so as to enhance the Company's accountability and transparency continuously.

Since the Listing Date, the Company has adopted and applied the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as its own corporate governance code. To the best knowledge, belief and information of the Directors, the Company had complied with all applicable code provisions under the CG Code during the Reporting Period, and there has been no deviation from the code provisions of the CG Code during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") set forth in Appendix C3 to the Listing Rules as a code of conduct for all securities transactions by the Directors, Supervisors and relevant employees of the Company. The Company confirmed that all Directors and Supervisors always abided by the required standards as set out in the Model Code during the Reporting Period after making specific enquiries to all the Directors and Supervisors. During the above-mentioned period, the Company was not aware of any case of non-compliance with the Model Code by the relevant employees.

In case the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors, Supervisors and relevant employees in advance.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares) during the Reporting Period.

As of 30 June 2026, there were no treasury shares (as defined under the Listing Rules) held by the Company.

REVIEW OF UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

The Audit Committee has reviewed the unaudited consolidated interim results of the Group for the six months ended 30 June 2026 and this interim report. The Audit Committee has also reviewed together with the management the accounting principles and policies adopted by the Company and discussed matters in relation to, among others, risk management, internal control and financial reporting of the Group. The Audit Committee considers that the unaudited consolidated interim results of the Group for the six months ended 30 June 2026 are in compliance with the applicable accounting standards, laws and regulations.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY

Mr. He Feng, an executive Director, was appointed as a non-executive director of Ruifeng Power Group Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2025), with effect from 1 July 2026. Save as disclosed in this report, the Company is not aware of any changes in the information of the Directors, Supervisors or the chief executive of the Company after 31 December 2025 and up to the date of this report that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

The Audit Committee comprised three independent non-executive Directors, namely, Ms. Guo Lili (Chairlady), Mr. Ma Weiguo and Mr. Wong Ho Kwan. Ms. Guo Lili and Mr. Wong Ho Kwan possess the appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee are to provide independent opinions on the effectiveness of the Group's financial reporting process, risk management, and internal control systems to assist the Board, oversee the audit procedures, develop and review policies, make recommendations to the Board regarding the appointment and removal of external auditors, and perform other duties and responsibilities assigned by the Board.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

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

As at 30 June 2026, the interests and/or short positions of the Directors, Supervisors and chief executive of the Company in the ordinary Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (a) which were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

(1) Interests in the Company

Name of Director/ Supervisor	Class of Shares	Nature of interest	Number of Shares held in the relevant class of Shares ⁽¹⁾	Approximate percentage of Shares held in the relevant class of Shares ⁽²⁾	Approximate percentage of the total issued Share capital ⁽²⁾
Mr. Hu Dalin	Unlisted Shares	Interest in controlled corporations	45,441,187(L) ⁽³⁾	45.44%	34.08%
Mr. He Feng	Unlisted Shares	Interest in controlled corporations	45,441,187(L) ⁽³⁾	45.44%	34.08%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) The letter “L” denotes the person’s long position in the shares.
- (2) As at 30 June 2026, the Company had 133,333,400 Shares in issue, including 100,000,000 Unlisted Shares and 33,333,400 H Shares.
- (3) These Shares are held by Space Technology (Beijing) Co., Ltd.* (空格科技(北京)有限公司) (“Space Technology”) and Beijing Tongda Chengye Technology Centre (Limited Partnership)* (北京通達成業科技中心(有限合伙)) (“Tongda”). Space Technology and Tongda entered into the concert party agreement, pursuant to which Tongda has acknowledged and confirmed that it has undertaken, among other things, to unilaterally follow the voting instructions of Space Technology to exercise its voting power and vote unanimously at the shareholders’ meeting of our Company during the period Tongda being the Shareholder of our Company. Space Technology is owned as to approximately 64.1%, 25.6% and 10.3% by Mr. Hu, Ms. Ma and Mr. He, respectively. Tongda is a limited partnership established in the PRC which serves as the Employee Incentive Platform for implementation of the Employee Incentive Scheme. Tongda is owned as to approximately 50.0% by Mr. Hu, approximately 44.2% by Mr. He, approximately 2.1% by Ms. Ma and the remaining approximately 3.7% by other 13 employees of our Group (including 0.3% by Ms. Xue Na, our employee representative Supervisor). Each of Mr. Hu, Ms. Ma and Mr. He is executive Director of the Company.

(2) *Interests in the Associated Corporations*

As at 30 June 2026, none of the Directors, Supervisors and chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of our associated corporations, which were required, pursuant to section 352 of the SFO, to be recorded in the register to be kept by the Company, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Save as disclosed above, as at 30 June 2026, none of the Directors, Supervisors and chief executive 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 its associated corporations (within the meaning of Part XV of the SFO) that was 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 taken under such provisions of the SFO), or required to be recorded to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As of 30 June 2026, to the knowledge of the Directors or chief executive of the Company, the persons listed in the table below (other than the Directors and the chief executives of the Company) had interests and/or short positions in the Shares or underlying Shares, which were required to be notified to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be recorded in the register to be kept by the Company:

Name	Class of Shares	Nature of interest	Number of Shares held in the relevant class of Shares ⁽¹⁾	Approximate percentage of Shares held in the relevant class of Shares ⁽²⁾	Approximate percentage of the total issued Share capital ⁽²⁾
Space Technology ⁽³⁾⁽⁵⁾	Unlisted Shares	Beneficial interest	30,169,382(L)	30.17%	22.63%
	Unlisted Shares	Interest of person acting in concert	15,271,805(L)	15.27%	11.45%
Tongda ⁽³⁾⁽⁷⁾	Unlisted Shares	Beneficial interest	15,271,805(L)	15.27%	11.45%
	Unlisted Shares	Interest of person acting in concert	30,169,382(L)	30.17%	22.63%
Saidi Testing ⁽⁴⁾	Unlisted Shares	Beneficial interest	28,067,104(L)	28.07%	21.05%
Saidi Group ⁽⁴⁾	Unlisted Shares	Interest in controlled corporations	28,067,104(L)	28.07%	21.05%
CSTC ⁽⁴⁾	Unlisted Shares	Interest in controlled corporations	28,067,104(L)	28.07%	21.05%
CCID ⁽⁴⁾	Unlisted Shares	Interest in controlled corporations	28,067,104(L)	28.07%	21.05%
Ms. Wang Yishuang ⁽⁶⁾	Unlisted Shares	Interest of spouse	45,441,187(L)	45.44%	34.08%
Ms. Jin Li ⁽⁸⁾	Unlisted Shares	Interest of spouse	45,441,187(L)	45.44%	34.08%
China Mobile Communications Group Co., Ltd. ⁽⁹⁾	H Shares	Interest in controlled corporations	11,432,000(L)	34.30%	8.57%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name	Class of Shares	Nature of interest	Number of Shares held in the relevant class of Shares ⁽¹⁾	Approximate percentage of Shares held in the relevant class of Shares ⁽²⁾	Approximate percentage of the total issued Share capital ⁽²⁾
China Mobile (Hong Kong) Group Limited ⁽⁹⁾⁽¹⁰⁾	H Shares	Interest in controlled corporations	11,432,000(L)	34.30%	8.57%
China Mobile Hong Kong (BVI) Limited ⁽¹⁰⁾⁽¹¹⁾	H Shares	Interest in controlled corporations	11,432,000(L)	34.30%	8.57%
China Mobile Limited ⁽¹¹⁾⁽¹²⁾	H Shares	Interest in controlled corporations	11,432,000(L)	34.30%	8.57%
China Mobile International Holdings Limited ⁽¹²⁾	H Shares	Beneficial interest	11,432,000(L)	34.30%	8.57%
Jingwei Hirain Technologies (Hong Kong) Corporation Limited ⁽¹³⁾	H Shares	Beneficial interest	5,925,800(L)	17.78%	4.44%
Beijing Jingwei Hengrun Technology Co., Ltd.* (北京經緯恒潤科技股份有限公司) ⁽¹³⁾	H Shares	Interest in controlled corporations	5,925,800(L)	17.78%	4.44%
	Unlisted Shares	Beneficial interest	1,905,200(L)	1.91%	1.43%
BOCI Trustee (Hong Kong) Limited	H Shares	Trustee	3,226,200(L)	9.68%	2.42%
JR CAPITAL FUND SPC – JR CAPITAL FUND SP1	H Shares	Beneficial interest	1,865,200(L)	5.59%	1.40%

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) As at 30 June 2026, the Company had 133,333,400 Shares in issue, including 100,000,000 Unlisted Shares and 33,333,400 H Shares.
- (3) According to the equity disclosures filed by Space Technology and Tongda on 15 January 2025, Space Technology and Tongda entered into the concert party agreement on 8 October 2021, pursuant to which Tongda has acknowledged and confirmed that it has undertaken, among other things, to unilaterally follow the voting instructions of Space Technology to exercise its voting power and vote unanimously at the Shareholders’ meeting of our Company for so long as Tongda has been/is a Shareholder of our Company. Therefore, under the SFO, in addition to their respective direct beneficial interests, each of Space Technology and Tongda is also deemed to be interested in the interest of the other concert party.
- (4) As at 30 June 2026, Saidi Testing was owned as to 100.0% by Saidi Group, which was owned as to 50.0% by each of CSTC and CCID. By virtue of the SFO, each of Saidi Group, CSTC and CCID is deemed to be interested in the Shares held by Saidi Testing.

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (5) As at 30 June 2026, Space Technology was owned by the Management Group as to 64.1% by Mr. Hu, 25.6% by Ms. Ma and 10.3% by Mr. He. By virtue of the SFO, Mr. Hu is deemed to be interested in the Shares held by Space Technology.
- (6) As at 30 June 2026, Ms. Wang Yishuang is the spouse of Mr. Hu. By virtue of the SFO, Ms. Wang Yishuang is deemed to be interested in the Shares in which Mr. Hu is interested.
- (7) Tongda is a limited partnership established in the PRC which serves as our Employee Incentive Platform for implementing our Employee Incentive Scheme. As at the date of this report, Tongda was owned as to approximately 50.0% partnership interest by the executive partner, Mr. Hu, and approximately 44.2%, 2.1% and 3.7% partnership interest by the limited partners, Mr. He, Ms. Ma and other 13 employees of our Group, respectively. By virtue of the SFO, each of Mr. Hu and Mr. He is deemed to be interested in the Shares held by Tongda.
- (8) As at 30 June 2026, Ms. Jin Li is the spouse of Mr. He. By virtue of the SFO, Ms. Jin Li is deemed to be interested in the Shares in which Mr. He is interested.
- (9) As at 30 June 2026, China Mobile (Hong Kong) Group Limited was owned as to 100% by China Mobile Communications Group Co., Ltd. By virtue of the SFO, China Mobile Communications Group Co., Ltd. is deemed to be interested in the shares in which China Mobile (Hong Kong) Group Limited is interested.
- (10) As at 30 June 2026, China Mobile Hong Kong (BVI) Limited was owned as to 100% by China Mobile (Hong Kong) Group Limited. By virtue of the SFO, China Mobile (Hong Kong) Group Limited is deemed to be interested in the shares in which China Mobile Hong Kong (BVI) Limited is interested.
- (11) As at 30 June 2026, China Mobile Limited was owned as to 69.18% by China Mobile Hong Kong (BVI) Limited. By virtue of the SFO, China Mobile Hong Kong (BVI) Limited is deemed to be interested in the shares in which China Mobile Limited is interested.
- (12) As at 30 June 2026, China Mobile International Holdings Limited was owned as to 100% by China Mobile Limited. By virtue of the SFO, China Mobile Limited is deemed to be interested in the shares held by China Mobile International Holdings Limited.
- (13) As at 30 June 2026, Jingwei Hirain Technologies (Hong Kong) Corporation Limited was owned as to 100% by Beijing Jingwei Hengrun Technology Co., Ltd.. By virtue of the SFO, Beijing Jingwei Hengrun Technology Co., Ltd. is deemed to be interested in the shares held by Jingwei Hirain Technologies (Hong Kong) Corporation Limited.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any person (other than the Directors, Supervisors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares, which were required to be disclosed to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended June 30,	
	Note	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	6	73,718	90,959
Cost of sales	9	(42,030)	(32,985)
Gross profit		31,688	57,974
Other income	7	7,854	14,580
Other gains, net	8	1,318	544
Selling and marketing expenses	9	(3,892)	(4,260)
General and administrative expenses	9	(15,415)	(17,714)
Research and development expenses	9	(62,732)	(54,461)
Credit loss allowance (recognized)/reversed, net	9	(2,018)	3,004
Operating loss		(43,197)	(333)
Share of (loss)/profit of investments accounted for using the equity method		(323)	34
Finance income	10	2,186	4,316
Finance costs	10	(7,655)	(2,629)
(Loss)/profit before income tax		(48,989)	1,388
Income tax expenses	11	(162)	(999)
(Loss)/profit for the period		(49,151)	389
Attributable to:			
Owners of the Company		(48,049)	1,316
Non-controlling interests		(1,102)	(927)
		(49,151)	389

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended June 30,	
	Note	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(Losses)/earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
Basic	12	(0.37)	0.01
Diluted		(0.37)	0.01
Other comprehensive losses, net of tax:			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		(5,193)	(267)
Total comprehensive (losses)/income for the period		(54,344)	122
Attributable to:			
Owners of the Company		(53,242)	1,049
Non-controlling interests		(1,102)	(927)
		(54,344)	122

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Assets			
Non-current assets			
Right-of-use assets	13(a)	30,370	39,009
Equipment	14	97,055	114,001
Intangible assets	15	42,016	41,540
Financial assets at fair value through profit or loss	16	44,912	147,284
Investments accounted for using the equity method		118,364	2,785
Term deposits	20(c)	30,742	30,419
Contract assets	6(a)	600	677
Deferred income tax assets		2,195	2,389
Other non-current assets		1,092	1,096
Total non-current assets		367,346	379,200
Current assets			
Inventory	17	10,911	2,955
Contract assets	6(a)	2,895	1,966
Trade and notes receivables	18	220,251	255,763
Prepayments and other receivables	19	156,485	18,968
Financial assets at fair value through profit or loss	16	100,128	137,877
Restricted cash	20(b)	3,665	3,665
Cash and cash equivalents	20(a)	244,095	235,461
Total current assets		738,430	656,655
Total assets		1,105,776	1,035,855
Equity			
Equity attributable to owners of the Company			
Share capital	21	133,333	133,333
Shares held for employee incentive scheme	22	(38,859)	(38,859)
Reserves	22	572,590	577,303
Retained earnings		179,999	228,048
		847,063	899,825
Non-controlling interests		6,385	7,487
Total equity		853,448	907,312

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Lease liabilities	13(a)	25,431	33,703
Deferred income	25	17,685	24,094
Total non-current liabilities		43,116	57,797
Current liabilities			
Trade and notes payables	23	8,135	27,742
Current income tax payables		199	207
Other payables and accruals	24	21,162	23,030
Contract liabilities	6(b)	160,865	808
Lease liabilities	13(a)	18,423	17,275
Deferred income	25	428	1,684
Total current liabilities		209,212	70,746
Total liabilities		252,328	128,543
Total equity and liabilities		1,105,776	1,035,855

The interim condensed consolidated financial statements on pages 36 to 74 were approved by the board of directors on August 25, 2026, and were signed on its behalf.

Hu Dalin
Name of director

He Feng
Name of director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non-controlling interests RMB'000	Total equity RMB'000
	Note	Share capital RMB'000	Shares held for employee incentive scheme	Reserves RMB'000 (Note 22)	Retained earnings RMB'000	Subtotal RMB'000		
			RMB'000 (Note 22)					
Balance at January 1, 2025		100,000	–	277,554	176,024	553,578	4,130	557,708
Profit for the period		–	–	–	1,316	1,316	(927)	389
Currency translation differences		–	–	(267)	–	(267)	–	(267)
Total comprehensive income for the period		–	–	(267)	1,316	1,049	(927)	122
Transactions with owners in their capacity as owners								
Issuance of ordinary shares upon initial public offering (“IPO”), net of issuance costs		33,333	–	295,476	–	328,809	–	328,809
Share-based payment expenses		–	–	604	–	604	–	604
Total transactions with owners in their capacity as owners		33,333	–	296,080	–	329,413	–	329,413
Balance at June 30, 2025 (Unaudited)		133,333	–	573,367	177,340	884,040	3,203	887,243
Balance at January 1, 2026		133,333	(38,859)	577,303	228,048	899,825	7,487	907,312
Loss for the period		–	–	–	(48,049)	(48,049)	(1,102)	(49,151)
Currency translation differences		–	–	(5,193)	–	(5,193)	–	(5,193)
Total comprehensive losses for the period		–	–	(5,193)	(48,049)	(53,242)	(1,102)	(54,344)
Transactions with owners in their capacity as owners								
Share-based payment expenses		–	–	604	–	604	–	604
Others		–	–	(124)	–	(124)	–	(124)
Total transactions with owners in their capacity as owners		–	–	480	–	480	–	480
Balance at June 30, 2026 (Unaudited)		133,333	(38,859)	572,590	179,999	847,063	6,385	853,448

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Six months ended June 30,	
	Note	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash generated from operations	29(a)	12,650	50,129
Interest received		1,573	4,048
Net cash generated from operating activities		14,223	54,177
Cash flows from investing activities			
Purchase of equipment and intangible assets		(13,448)	(93,222)
Interest income received from short-term investments measured at fair value through profit or loss		5,612	209
Purchase of short-term investments measured at fair value through profit or loss		(220,000)	(546,516)
Proceeds from the redemption of short-term investments measured at fair value through profit or loss		237,073	319,214
Net cash generated from/(used in) investing activities		9,237	(320,315)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares upon IPO, net of underwriting commissions, levy and stamp duty		–	399,767
Payment of listing expenses capitalized		(125)	(25,375)
Payment of lease liabilities		(7,957)	(17,125)
Net cash (used in)/generated from financing activities		(8,082)	357,267
Net increase in cash and cash equivalents		15,378	91,129
Cash and cash equivalents at the beginning of the period		235,461	208,325
Effects of exchange rate changes on cash and cash equivalents		(6,744)	(1,924)
Cash and cash equivalents at the end of the period	20(a)	244,095	297,530

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Beijing Saimo Technology Co., Ltd. (the “Company”) was incorporated in Beijing, the People’s Republic of China (the “PRC”) on January 24, 2014 as a limited liability company. On November 8, 2022, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The Company and its subsidiaries (collectively, the “Group”) were primarily engaged in the provision of data engineering based on artificial intelligence and numerical calculation, anti-counterfeiting products, compliance consulting and testing verification services in the PRC, which are mainly applied to intelligent connected vehicle (“ICV”) testing, verification and evaluation solutions.

On January 15, 2025, the Company completed its initial public offering, and its ordinary shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim condensed consolidated financial information for the six months ended June 30, 2026 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”). This interim condensed consolidated financial information does not include all the notes of the type normally included in annual financial statements. Accordingly, it should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2025 (the “2025 Financial Statements”), which have been prepared in accordance with IFRS Accounting Standards.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.1 New and amended standards adopted by the Group

The Group has applied the following standards, amendments and interpretation for the first time for its annual reporting period commencing 1 January 2026:

Standards and amendments		Effective for annual periods beginning on or after
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts referencing nature-dependent electricity	January 1, 2026
Annual improvements project	Annual improvements to IFRS Accounting Standards – volumes 11	January 1, 2026

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.2 New and amended standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for June 30, 2026 reporting periods and have not been early adopted by the Group.

Standards and amendments		Effective for annual periods beginning on or after
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendment to IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to IFRS 10 and IFRS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new and amended standards and has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on the performance and positions of the Group, except IFRS 18, which may mainly impact the presentation of the Group's consolidated statements of comprehensive income and the Group is still in the process of assessing the impact.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial information as set out in the 2025 Financial Statements.

(a) Market risk

(i) Foreign exchange risk

The Company was listed on the Hong Kong Stock Exchange and has established a subsidiary incorporated in Hong Kong. Foreign currency denominated assets and liabilities in currency that is not the Company's functional currency together with expected cash flow from highly probable purchases and sales give rise to foreign exchange exposures.

The Company has foreign currency risk as certain cash and deposits with banks are denominated in foreign currencies, mainly US\$ and HK\$. The newly established Hong Kong subsidiary has not yet engaged in large-scale business, and the Company has purchased certain financial assets to hedge against the risk of exchange rate fluctuations, management is in the opinion that the currency exposure arising from these transactions is not significant to the Group.

3.2 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at each balance sheet date, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Fair value estimation (Continued)

The following table presents the Group's financial assets that are measured at fair value as at June 30, 2026 and December 31, 2025, respectively.

At June 30, 2026 (Unaudited):

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Investments measured at fair value through profit or loss (Note 16)	–	–	145,040	145,040

At December 31, 2025 (Audited):

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Investments measured at fair value through profit or loss (Note 16)	117,372	–	167,789	285,161

The Group has a team that manages the valuation exercise for level 3 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 level 3 instruments. External valuation experts were involved when necessary.

The valuation of the level 3 instruments mainly includes investments in unlisted equity securities and wealth management products (Note 16). As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including market approach etc.

There were no transfers between levels 1, 2 and 3 of the fair value hierarchy classifications during the six months ended June 30, 2026 and 2025.

The carrying amounts of the Group's financial assets that are not measured at fair value including cash and cash equivalents, restricted cash, trade and notes receivables and other receivables, and the Group's financial liabilities that are not measured at fair value, including, lease liabilities, trade and notes payables and other payables, approximate their fair values due to their short maturities or the interest rates are close to the market interest rates.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2025 Financial Statements.

5 SEGMENT INFORMATION

The Group's business activities are based on data engineering of artificial intelligence and numerical computing, simulation products, compliance consulting and test verification services, which are mainly applied to functionality, compatibility, safety, reliability and comfortability of ICVs in the PRC. The Group does not distinguish revenue, costs and expenses between segments in its internal reporting, and reports costs and expenses by nature as a whole.

The Group's chief operating decision-maker has been identified as the board of directors, who reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports. As all of the Group's non – current assets other than financial instruments and deferred tax assets are all located in Mainland China, no geographical information is presented.

The major customers who contributed more than 10% of total revenue of the Group for the six months ended June 30, 2026 and 2025 are listed below:

	Six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Number of major customers	3	5
Total revenue from major customers (RMB'000)	57,064	68,626

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5 SEGMENT INFORMATION (Continued)

Customers	RMB'000	% of the total revenue
Six months ended June 30, 2026 (Unaudited)		
Customer A	25,724	34.9%
Customer B	19,390	26.3%
Customer C	11,950	16.2%
	57,064	77.4%
Six months ended June 30, 2025 (Unaudited)		
Customer D	24,761	27.2%
Customer E	11,887	13.1%
Customer F	11,717	12.9%
Customer G	11,110	12.2%
Customer H	9,151	10.1%
	68,626	75.5%

6 REVENUE

Disaggregation of revenue from contracts with customers by products and services is as follows:

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
ICV simulation testing software and platforms	52,662	49,073
ICV data platforms and other products	147	19,331
ICV testing and related services	4,109	9,310
Advisory and other services	16,800	13,245
	73,718	90,959

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6 REVENUE (Continued)

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

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At point in time	73,566	90,507
Over time	152	452
	73,718	90,959

(a) Contract assets

The Group recognized the following assets related to contracts with customers:

	As at	As at
	June 30,	December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Contract assets		
– Current	3,004	2,041
– Non-current	678	678
Less: loss allowance	(187)	(76)
	3,495	2,643

Contract assets are generally the final payments of contracts relating to the provision of products which are due at the end of the warranty period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6 REVENUE (Continued)

(a) Contract assets (Continued)

Movements on loss allowance for contract assets are as follows:

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
At the beginning of the period	(76)	(158)
Provision for loss allowance on contract assets	(111)	(2)
At the end of the period	(187)	(160)

Expected credit losses rate on contract assets range from 0.17% to 17.23% for the six months ended June 30, 2026 and 2025, respectively.

(b) Contract liabilities

The Group recognized the following liabilities related to contracts with customers:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Contract liabilities	160,865	808

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6 REVENUE (Continued)

(b) Contract liabilities (Continued)

The following table shows the Group's revenue recognized related to carried-forward contract liabilities:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue recognized that was included in the contract liabilities at beginning of period	167	1,526

The following table includes the Group's revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date:

	As at June 30, 2026	As at December 31, 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 1 year	24,972	12,540
Over 1 year	17,913	4,623
	42,885	17,163

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7 OTHER INCOME

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Government grants (i)	7,744	14,521
Value-added tax ("VAT") refund (ii)	25	—
Others	85	59
	7,854	14,580

(i) Government grants

Government grants primarily relate to grants in connection with the Group's contributions to technology development of governments. There are no unfulfilled conditions or contingencies relating to these incomes.

(ii) VAT refund

According to the VAT tax regulations in the PRC, the applicable VAT tax rate for sales of computer software is 13% during the periods presented.

8 OTHER GAINS, NET

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Fair value changes on financial assets at fair value through profit or loss (Note 16)	2,157	561
Others	(839)	(17)
	1,318	544

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9 EXPENSES BY NATURE

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Change in inventory	(7,956)	1,582
Procurement costs	40,826	22,793
Salaries, wages and other benefits	31,350	32,854
Depreciation of equipment (Note 14)	27,264	21,342
Amortization of intangible assets (Note 15)	10,814	9,900
Depreciation of right-of-use assets (Note 13)	8,716	7,867
Professional service and other external technical services	7,000	5,807
Credit loss allowance recognized/(reversed), net (note (a))	2,018	(3,004)
Business travel expenses	1,193	1,321
Rental and property expenses	1,067	1,427
Business entertainment expenses	1,001	833
Office expenses	926	2,081
Share-based payments expenses	604	604
Insurance expenses	232	129
Listing expenses	–	580
Recruitment and training expenses	107	34
Advertising and marketing expenses	16	3
Other taxes and surcharges	142	72
Others	767	191
	126,087	106,416

Note:

- (a) Mainly includes the loss allowance on contract assets, trade and notes receivables and other receivables. Please refer to Notes 6(a), 18 and 19.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10 FINANCE INCOME AND FINANCE COSTS

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Finance income:		
Interest income from bank deposits	2,186	4,316
Finance costs:		
Interest expense on lease liabilities (Note 13)	(756)	(953)
Foreign exchange losses, net	(6,887)	(1,657)
Others	(12)	(19)
	(7,655)	(2,629)
Finance (costs)/income, net	(5,469)	1,687

11 INCOME TAX EXPENSES

The income tax expenses of the Group for the six months ended June 30, 2026 and 2025 are analysed as follows:

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current income tax	(24)	–
Deferred income tax	186	999
Income tax expenses	162	999

Notes:

(a) Enterprise income tax in the PRC ("EIT")

The income tax provision of the Group in respect of its operations in the PRC was calculated using a tax rate of 25% on the assessable profits for the year presented, based on the existing legislation, interpretations and practices in respect thereof.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11 INCOME TAX EXPENSES (Continued)

Notes: (Continued)

(b) Preferential EIT rate

The Company and its subsidiaries in the PRC are entitled to preferential EIT rates, as follows:

The Company was recognized as the Key Software Enterprise and therefore enjoyed a preferential EIT rate of 0% from January 1, 2019 to December 31, 2023, and can enjoy a preferential EIT rate of 10% from January 1, 2024.

Subsidiaries of the Company, Zhejiang Saimo Technology Co., Ltd., Zhejiang Fly Here Technology Co., Ltd. and Beijing Saimo Automotive Testing Technology Co. Ltd., enjoy tax benefits for small and micro enterprises.

(c) Super deduction for research and development expenses

According to Announcement No. 7 of 2023 by the Ministry of Finance and the State Administration of Taxation, since January 1, 2023, the pre-tax deduction rate for enterprise research and development expenses is 100%. The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the years.

12 (LOSSES)/EARNINGS PER SHARE

(a) Basic

	Six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
(Loss)/profit attributable to owners of the Company (RMB'000)	(48,049)	1,316
Weighted average number of ordinary shares (thousands)	128,557	129,006
Basic (losses)/earnings per share (RMB)	(0.37)	0.01

The basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period. The shares granted to employees under an equity incentive plan are excluded from the calculation of the weighted average number of ordinary shares.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12 (LOSSES)/EARNINGS PER SHARE (Continued)

(b) Diluted

	Six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
(Loss)/profit attributable to owners of the Company (RMB'000)	(48,049)	1,316
Weighted average number of ordinary shares used in the basic earnings per share calculation (thousands)	128,557	129,006
Effect of dilution:		
– Restricted stock units (thousands)	–	1,402
Adjusted weighted average number of ordinary shares used in the diluted earnings per share calculation (thousands)	128,557	130,408
Diluted (losses)/earnings per share (RMB)	(0.37)	0.01

Diluted (losses)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has restricted stock units outstanding which are potentially dilutive.

The Group made a loss for the six months ended June 30, 2026. The effect of restricted stock units was anti-dilutive and is excluded from the calculation of the diluted loss per share. The diluted loss per share is calculated in the same way with the basic loss per share.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13 LEASES

The Group lease certain of its premises, which are negotiated for terms ranging from 1 to 3 years.

(a) Amounts recognised in the condensed consolidated balance sheet

The following amounts are recognised in the condensed consolidated balance sheet:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Right-of-use assets		
Buildings	2,114	4,323
Lands	27,715	33,991
Vehicles	541	695
	30,370	39,009
Lease liabilities		
Current	18,423	17,275
Non-current	25,431	33,703
	43,854	50,978

(i) The movement in right-of-use assets in the condensed consolidated balance sheet are as follows:

	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
At the beginning of the period	39,009	49,031
Additions	–	2,123
Depreciation charge	(8,716)	(7,867)
Change due to the reassessment of the lease liabilities	77	(321)
At the end of the period	30,370	42,966

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13 LEASES (Continued)

(b) Amounts recognised in the interim condensed consolidated statements of comprehensive income

The interim condensed consolidated statements of comprehensive income show the following amounts relating to leases:

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Depreciation charge for right-of-use assets (Note 9)	8,716	7,867
Interest expense (Note 10)	756	953
Expenses relating to short-term leases and variable lease payments not included in lease liabilities	240	277
Contract fulfilment costs	81	—

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14 EQUIPMENT

The detailed information of the Group's equipment during the period is as below:

	Electronics equipment RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Total RMB'000
Six months ended June 30, 2025				
(Unaudited)				
Opening net book amount	34,855	3,041	5	37,901
Additions	77,328	–	–	77,328
Disposals	(6)	(13)	–	(19)
Depreciation charge	(20,520)	(822)	–	(21,342)
Closing net book amount	91,657	2,206	5	93,868
At June 30, 2025				
Cost	169,315	6,514	143	175,972
Accumulated depreciation	(77,658)	(4,308)	(138)	(82,104)
Net book amount	91,657	2,206	5	93,868
Six months ended June 30, 2026				
(Unaudited)				
Opening net book amount	112,687	1,309	5	114,001
Additions	10,135	29	157	10,321
Disposals	(3)	–	–	(3)
Depreciation charge	(26,546)	(714)	(4)	(27,264)
Closing net book amount	96,273	624	158	97,055
At June 30, 2026				
Cost	219,919	6,471	299	226,689
Accumulated depreciation	(123,646)	(5,847)	(141)	(129,634)
Net book amount	96,273	624	158	97,055

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14 EQUIPMENT (Continued)

(a) *Depreciation charges were recognized in the following categories:*

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Research and development expenses	26,220	19,840
General and administrative expenses	861	1,388
Selling and marketing expenses	73	70
Cost of sales	20	445
Expensed off in the interim condensed consolidated statements of comprehensive income	27,174	21,743
Capitalised in contract fulfilment costs	90	(401)
	27,264	21,342

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15 INTANGIBLE ASSETS

The detailed information of the Group's intangible assets during the period is as below:

	Software and system RMB'000	Internally generated intangible assets RMB'000	Total RMB'000
Six months ended June 30, 2025 (Unaudited)			
Opening net book amount	42,393	9,886	52,279
Additions	9,199	–	9,199
Amortization charge	(8,608)	(1,292)	(9,900)
Closing net book amount	42,984	8,594	51,578
At June 30, 2025			
Cost	67,416	12,921	80,337
Accumulated amortization	(24,432)	(4,327)	(28,759)
Net book amount	42,984	8,594	51,578
Six months ended June 30, 2026 (Unaudited)			
Opening net book amount	34,238	7,302	41,540
Additions	11,290	–	11,290
Amortization charge	(9,522)	(1,292)	(10,814)
Closing net book amount	36,006	6,010	42,016
At June 30, 2026			
Cost	77,474	12,921	90,395
Accumulated amortization	(41,468)	(6,911)	(48,379)
Net book amount	36,006	6,010	42,016

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15 INTANGIBLE ASSETS (Continued)

(a) Amortization charges were recognized in the following categories:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Research and development expenses	9,468	8,563
General and administrative expenses	42	35
Selling and marketing expenses	6	6
Cost of sales	1,294	1,299
Expensed in the interim condensed consolidated statements of comprehensive income	10,810	9,903
Capitalised in contract fulfilment costs	4	(3)
	10,814	9,900

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss:

	As at June 30, 2026	As at December 31, 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Non-current assets		
Long-term investments measured at fair value through profit or loss		
– Unlisted equity securities	44,912	29,912
– Listed equity securities	–	117,372
	44,912	147,284
Current assets		
Short-term investments measured at fair value through profit or loss		
– Wealth management products	100,128	50,076
– Funds	–	87,801
	100,128	137,877

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(b) Amounts recognised in profit or loss

During the period, the following gains were recognised in profit or loss:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fair value gains of financial assets at fair value through profit or loss recognised in other gains	2,157	561

17 INVENTORY

	As at June 30, 2026	As at December 31, 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Hardware procurement	7,037	849
Contract fulfilment costs	3,874	2,106
	10,911	2,955

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18 TRADE AND NOTES RECEIVABLES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Trade receivables		
– Third parties	231,308	263,792
– Related parties	–	–
Less: loss allowance	(11,964)	(10,127)
	219,344	253,665
Notes receivables	912	2,100
Less: loss allowance	(5)	(2)
	907	2,098
	220,251	255,763

The carrying amounts of the Group's trade and notes receivables are denominated in RMB.

The Group generally allows a credit period within 90 to 180 days to its customers. Aging analysis of trade and notes receivables based on date of completion of contractual obligations is as follows:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Trade and notes receivables		
Up to 6 months	39,396	163,936
6 months to 1 year	121,664	45,528
1 to 2 years	57,431	29,439
Over 2 years	13,729	26,989
	232,220	265,892

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18 TRADE AND NOTES RECEIVABLES (Continued)

Movement on the Group's loss allowance for trade and notes receivables are as follows:

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
At the beginning of the period	(10,129)	(9,142)
Credit loss allowance (recognized)/reversed, net	(1,884)	2,904
Currency translation differences	44	–
At the end of the period	(11,969)	(6,238)

19 PREPAYMENTS AND OTHER RECEIVABLES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Deductible value-added input tax	5,467	4,904
Prepayments to suppliers	147,895	10,756
Rental, bidding and other deposits	873	440
Others	2,346	2,941
Less: loss allowance	(96)	(73)
	156,485	18,968

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents

Cash and cash equivalents mainly include deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less.

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Cash and cash equivalents	244,095	235,461

Cash and cash equivalents are denominated in the following currencies:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
RMB	52,329	111,135
US\$	74,189	51,748
HKD	117,577	72,578
	244,095	235,461

(b) Restricted cash

Restricted cash represent amounts held at banks as security deposits mainly for the issuance of letters of guarantee or bank acceptance bills.

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Restricted cash	3,665	3,665

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20 CASH AND CASH EQUIVALENTS (Continued)

(c) Term deposit

Term deposit represents amounts held at banks with a maturity date on May 9, 2028, bearing the interest rate of 2.15%.

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Principal	30,000	30,000
Interest	742	419
	30,742	30,419

21 SHARE CAPITAL

	Number of shares Thousand	Nominal value of ordinary shares RMB'000
Authorised and issued:		
Ordinary shares of RMB1 each		
As at January 1, 2025	100,000	100,000
Issuance of ordinary shares upon IPO	33,333	33,333
As at June 30, 2025 (Unaudited)	133,333	133,333
As at January 1, 2026 and June 30, 2026 (Unaudited)	133,333	133,333

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22 SHARES HELD FOR EMPLOYEE INCENTIVE SCHEME AND RESERVES

	Shares held for employee incentive scheme RMB'000	Capital reserves RMB'000	Share premium RMB'000	Share- based payments expenses RMB'000	Currency translation differences RMB'000	Statutory reserves RMB'000	Total RMB'000
Balance at January 1, 2025	–	257,191	–	4,311	–	16,052	277,554
Issuance of ordinary shares upon IPO	–	–	295,476	–	–	–	295,476
Share-based payments expenses	–	–	–	604	–	–	604
Currency translation differences	–	–	–	–	(267)	–	(267)
Balance at June 30, 2025 (Unaudited)	–	257,191	295,476	4,915	(267)	16,052	573,367
Balance at January 1, 2026	(38,859)	257,191	295,476	5,519	(1,176)	20,293	538,444
Share-based payments expenses	–	–	–	604	–	–	604
Currency translation differences	–	–	–	–	(5,193)	–	(5,193)
Others	–	(124)	–	–	–	–	(124)
Balance at June 30, 2026 (Unaudited)	(38,859)	257,067	295,476	6,123	(6,369)	20,293	533,731

23 TRADE AND NOTES PAYABLES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Trade payables	8,135	27,742

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

23 TRADE AND NOTES PAYABLES (Continued)

The aging analysis based on date of receipt of goods and services are as follows:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Up to 3 months	2,761	25,074
3 to 6 months	3,593	20
Over 6 months	1,781	2,648
	8,135	27,742

As at June 30, 2026 and December 31, 2025, the carrying amounts of trade and notes payables were primarily denominated in RMB, which approximated their fair values.

24 OTHER PAYABLES AND ACCRUALS

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Payroll payable	4,667	7,358
Payables to vendors	16,419	13,896
VAT payable	–	1,078
Other tax payable	75	297
Others	1	401
	21,162	23,030

The carrying amounts of other payables approximated their fair values as at June 30, 2026 and December 31, 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25 DEFERRED INCOME

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Government grants:		
– Asset-related	17,685	24,094
– Income-related	428	1,684
	18,113	25,778

26 CONTINGENCIES AND COMMITMENTS

The Group did not have any material contingent liabilities as at June 30, 2026 (December 31, 2025: Nil).

(a) Capital commitments

The Group's capital expenditure contracted for at the end of the dates but not yet incurred is as follows:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Investment in subsidiaries and others	36,100	1,200

27 DIVIDENDS

No dividends have been paid or declared by the Group or the companies comprising the Group for the six months ended June 30, 2026 (2025: nil).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

28 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Key management personnel compensation

Key management includes executive directors and other members of the Company's senior management team. The compensations payable to key management for employee services are shown below:

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Wages, salaries and bonuses	3,859	3,686
Share-based compensation	546	543
Housing benefits and other social security costs	312	310
Contributions to pension plans	236	233
	4,953	4,772

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

28 RELATED PARTY TRANSACTIONS (Continued)

(b) Names and relationships with related parties

The following companies are related parties of the Group that had significant transactions and/or balances with the Group during the period.

Names of the major related parties	Relationship
Hangzhou Yuhang Urban Development Investment Group Co., Ltd.	A shareholder of the subsidiary – Zhejiang Fly Here Technology Co., Ltd
Beijing Saidi Property Management Co., Ltd.	A company controlled by the shareholders of a significant shareholder – Saidi Testing and Certification Centre Co., Ltd.
Beijing Dysprosium Data Technology Co., Ltd.	A limited liability company owned as to 49% by Beijing Saimo Technology Co., Ltd. and was established as a joint venture of our Company and Beijing EIDC.
Hangzhou Yuhang Asset Management Co., Ltd.	A wholly-owned subsidiary of Hangzhou Yuhang Urban Development Investment Group Co., Ltd., which is a shareholder of the subsidiary – Zhejiang Fly Here Technology Co., Ltd.

(c) Significant transactions with related parties

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(i) Purchases of goods and services		
Beijing Saidi Property Management Co., Ltd.	14	14

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

28 RELATED PARTY TRANSACTIONS (Continued)

(d) Significant balance with related parties

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
(i) Receivables from related parties		
Hangzhou Yuhang Asset Management Co., Ltd.	52	209
(ii) Payables to related parties		
Beijing Saidi Property Management Co., Ltd.	21	14
Beijing Dysprosium Data Technology Co., Ltd.	171	171
	192	185

All the balances with related parties are trade in nature.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

29 CASH FLOW INFORMATION

(a) Cash generated from operations

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(Loss)/profit before income tax	(48,989)	1,388
Adjustments for:		
– Depreciation of equipment	27,264	21,342
– Depreciation of right-of-use assets	8,716	7,867
– Amortization of intangible assets	10,814	9,900
– Credit loss allowance recognized/(reversed), net	2,018	(3,004)
– Share-based payment expenses	604	604
– Finance income, net	(1,430)	(3,267)
– Foreign exchange losses, net	6,606	1,657
– Losses on disposal of equipment	4	18
– Fair value changes on financial assets at fair value through profit or loss	(2,157)	(561)
– Share of loss/(profit) of the investment accounted for using the equity method	323	(34)
– (Increase)/decrease in contract assets	(963)	1,254
– (Increase)/decrease in inventory	(7,956)	1,582
– Decrease in trade and notes receivables	33,672	31,130
– Increase in prepayments and other receivables	(143,589)	(12,630)
– Decrease in restricted cash	–	95
– (Decrease)/increase in trade and notes payables	(19,607)	521
– Decrease in other payables and accruals	(5,072)	(3,399)
– Increase/(decrease) in contract liabilities	160,057	(297)
– Decrease in deferred income	(7,665)	(4,037)
Cash generated from operations	12,650	50,129

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

29 CASH FLOW INFORMATION (Continued)

(b) Reconciliation of liabilities from financing activities

This section sets out an analysis and the movements of liabilities from financing activities for the period.

	Lease liabilities (Note 13) RMB'000
Liabilities from financing activities as at January 1, 2025	61,751
Cash flows	(17,125)
Accrued interest expenses	953
Addition of new leases	2,123
Reassessment of the lease liabilities	(321)
Liabilities from financing activities as at June 30, 2025 (Unaudited)	47,381
Liabilities from financing activities as at January 1, 2026	50,978
Cash flows	(7,957)
Accrued interest expenses	756
Reassessment of the lease liabilities	77
Liabilities from financing activities as at June 30, 2026 (Unaudited)	43,854

(c) Major non-cash investing and financing activities

There were no material non-cash transactions for the six months ended June 30, 2026 (2025: Nil).