AINNOVATION TECHNOLOGY GROUP CO., LTD*

創新奇智科技集團股份有限公司

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

(Stock Code: 2121)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025 AND FURTHER CHANGE OF USE OF PROCEEDS AND ITS USEFUL LIFE

The board of directors (the "**Board**") of AInnovation Technology Group Co., Ltd (the "**Company**", and its subsidiaries, the "**Group**") is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2025 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2024.

FINANCIAL SUMMARY

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**698,981**	571,704
Gross profit	**244,728**	193,225
Operating loss	**(62,187)**	(190,751)
Loss for the period	**(60,513)**	(184,553)
Add:		
Share-based payment expenses	**36,965**	42,085
Amortization of intangible assets arising from acquisition	**15,345**	21,860
Impairment loss on goodwill and intangible assets arising from acquisition	**—**	19,580
Changes in fair value of financial assets/liabilities at fair value through profit or loss	**1,522**	63,620
Adjusted net loss (Unaudited)	**(6,681)**	(37,408)

Revenue-By Type of Products/Services

	For the six months ended 30 June			
	2025		2024	
	Amount		Amount	
	RMB'000	**%**	RMB'000	%
Sales of products and solutions	**626,137**	**89.6**	539,685	94.4
Services of data solutions	**72,844**	**10.4**	32,019	5.6
Total	**698,981**	**100.0**	571,704	100.0

Revenue-By Customer Type

	For the six months ended 30 June			
	2025		2024	
	Amount		Amount	
	RMB'000	**%**	RMB'000	%
System integrators	**355,620**	**50.9**	220,230	38.5
End–users	**343,361**	**49.1**	351,474	61.5
Total	**698,981**	**100.0**	571,704	100.0

Revenue-By Industry Verticals

	For the six months ended 30 June			
	2025		2024	
	Amount		Amount	
	RMB'000	**%**	RMB'000	%
Manufacturing	**555,561**	**79.5**	437,489	76.5
Energy and power	**107,995**	**15.5**	72,750	12.7
Automotive equipment	**99,331**	**14.2**	88,589	15.5
Food & Beverage and New Material	**76,480**	**10.9**	66,618	11.7
3C high-tech	**73,322**	**10.5**	54,461	9.5
Intelligent manufacturing practical training	**53,703**	**7.7**	49,683	8.7
Iron and steel metallurgy	**45,271**	**6.5**	50,211	8.8
Engineering and Construction	**23,714**	**3.4**	18,916	3.3
OLED panel semiconductors manufacturing	**23,290**	**3.3**	20,891	3.6
Others	**52,455**	**7.5**	15,370	2.7
Financial services	**70,086**	**10.0**	82,913	14.5
Other industries	**73,334**	**10.5**	51,302	9.0
Total	**698,981**	**100.0**	571,704	100.0

BUSINESS OVERVIEW

Part I: Business Review

In 2025, benefiting from the overall stabilization in the macroeconomic environment and the continued advancement of national strategy-level artificial intelligence policies, AInnovation maintained high-quality growth across its business segments by leveraging its solid foundation in AI technologies, industrial applications and commercial implementation. Revenue resumed its upward trend, operating cash flow continued to be solid and its ability of reducing losses and achieving profitability improved significantly. As of 30 June 2025, our revenue reached RMB699.0 million, representing a year-on-year increase of 22.3%. Gross profit margin further increased by 1.2 percentage points to 35.0%. Net cash used in operating activities amounted to RMB8.4 million and adjusted net loss significantly narrowed to RMB6.7 million.

Since its establishment in 2018, AInnovation has been firmly committed to the "AI + Manufacturing" industry and has launched a series of AI products and solutions covering the entire value chain of the manufacturing sector. Through technological innovation, product application, and scenario empowerment, AInnovation has built multi-dimensional competitive advantages, becoming a leading artificial intelligence technology enterprise in China focusing on the manufacturing industry. During the Reporting Period, AInnovation adhered to the strategy of "one model, one agent and two wings", whereby the AInnoGC industrial LLM served as the foundation and AI Agent served as the engine to drive industrial robots and industrial software applications, and all business segments developed steadily with improved quantity and quality. The AInnoGC industrial LLM underwent further technological upgrade, completing the adaptation of DeepSeek-R1 distilled AInno-75B technology. This upgrade significantly enhanced the reasoning capabilities of AInno-75B while maintaining its in-depth understanding of industrial knowledge and the advantage of low-cost private deployment. A brand-new AI Agent development platform was launched, enabling clients to rapidly build and deploy intelligent solutions based on LLM using a visual, low-code interface. The platform has been applied in various fields, including equipment operation and maintenance, intelligent data analysis in production and manufacturing, and teaching in intelligent manufacturing practical training. ChatCAD generative industrial design software has made a critical step from experimentation to practical application. The ChatRobot industrial embodied intelligence robots technology stack has become increasingly mature. It offers autonomous planning for task organisation and scheduling, as well as

self-perception, analysis and decision-making capabilities. In this way it constitutes a "brain" for industrial robots that is highly generalizable, broadly applicable and easy to deploy. Moreover, it supports a "one brain, multiple bodies" architecture, making it compatible with a variety of robotic hardware platforms.

AInnovation has continued to advance the commercial deployment of industrial LLM within the manufacturing sector. According to the "China Large Model Application Market Share 2024"(《中國大模型應用市場份額2024》) published by IDC, we ranked seventh in terms of market share in China's LMM application market, and are the only company in the ranking that focuses exclusively on the industrial sector. In addition, leveraging its innovative technologies and practical achievements in the field of AI Agent, AInnovation was recognised in IDC's "China AI Agent Market Analysis and Vendor Recommendations" (《中國AI Agent市場剖析及廠商推薦》) as an enterprise-level AI Agent application technology provider. Furthermore, AInnovation was included in the "AI Agent Industry Landscape (智能體產業圖譜)" published by the China Academy of Information and Communications Technology as a representative vendor of intelligent agent in the industrial sector.

AInnovation has consistently placed great emphasis on research and development investment and scientific and technological innovation to ensure its technological leadership. As of 30 June 2025, we had filed a total of 1,394 patent applications, including 1,145 invention patents; and had been granted 630 patents in total, including 407 invention patents. "AInnoGC Industrial LLM" has completed registration with the Cyberspace Administration of China under the "Generative Artificial Intelligence Services" (《生成式人工智能服務》) filing system, making it one of the first LLMs in Qingdao to obtain such registration. "AInnoGC Industrial LLM" was also successfully selected as a key project under Shandong Province's 2025 "Revealing the List and Taking the Lead" initiative (「揭榜掛帥」攻關項目) for industrial LLMs in the manufacturing sector. In addition, we jointly released the "Research Report on Implementation of AI + Manufacturing Application (《人工智能+製造業應用落地研究報告》)" with the Artificial Intelligence Research Institute of CAICT. The report provides an in-depth analysis of the current status and key innovation directions of AI technology application in the manufacturing industry, and by integrating representative client cases of AI solutions offered by AInnovation to manufacturing enterprises, it demonstrates how AI drives intelligent upgrades across the entire value chain, including R&D and design, production and manufacturing, operation and management, and product and service delivery, showcasing profound industry insight.

We adhere to a dual-engine model of "technological products + industry scenarios", forging connections with upstream and downstream partners and building an industrial ecosystem. In the industrial software domain, we have established a strategic partnership with Bentley, a globally renowned infrastructure engineering software company, to jointly develop a new generation of intelligent infrastructure engineering software products. This collaboration aims to provide AI-powered intelligent engineering solutions, such as ChatCAD for professionals in the infrastructure industry. In the field of industrial embodied intelligence domain, we have formed strategic partnerships with KUKA, one of the world's top industrial robot manufacturers and Keenon Robotics, a leader in service robots, and have been committed to serving as the brain of robots in pan-industrial scenarios. We are working together to promote the application of embodied intelligece in the industrial sector. In the application of AI Agent field, we have entered into strategic collaborations with DingTalk of Alibaba and Hunlicar to explore multi-dimensional cooperation such as overseas application of financial industry solutions, digitalization of enterprise assets, and on-chain application solutions. At the same time, we have further expanded and deepened our cooperation with leading enterprises such as Advantech and CR Digital in the field of industrial agents.

During the Reporting Period, the Company carried out the following key initiatives:

In the first half of 2025, the Company, following its "one model, one agent and two wings" core strategy, continued to increase its R&D investment, proactively adopted new technologies, and drove the continuous improvement of its core products' maturity.

As the Company's core product for industrial embodied intelligence, ChatRobot is designed with the objective of "building an embodied-robotics platform that offers high generalizability and can be deployed across a wide range of real-world scenarios." To this end, we have concentrated on critical technology areas, such as multimodal perception, end-to-end generation, and cloud–edge collaborative control, and have continuously refined our three foundational systems (the control system, the intelligence system, and the data system). These efforts have substantially enhanced ChatRobot's overall capabilities and laid a solid groundwork for both product upgrades and market expansion in the second half of the year.

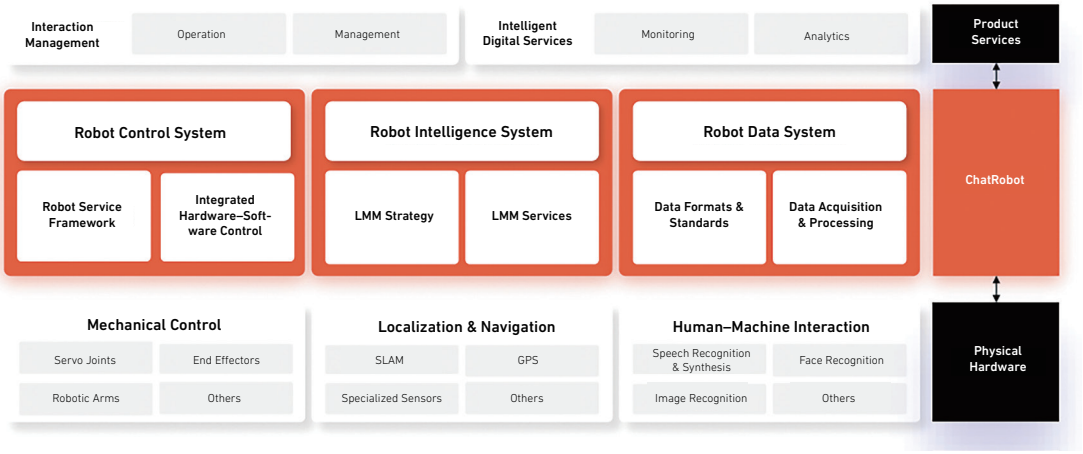

Figure (1) Core Systems of ChatRobot

1. Control System - Integrated Hardware and Software Control

1.1 Hardware Platform Iteration

- Multi-generation Robotic Bodies in Parallel Progress: Four generations of platforms, CR-1 to CR-4(A/B), continue to iterate. Among them, CR-3, which was built in the first half of the year, focuses on industrial sorting and other scene data collection and algorithm verification; CR-4(A/B) focuses on modular design and hardware compatibility, with core components such as the chassis, robotic arm, and sensing module being independently selected and quickly integrated.

- Expanding External Cooperation: In the first half of the year, the Company successfully entered into strategic cooperation agreements with KEENON Robotics and KUKA Robotics. Through technical cooperation with hardware manufacturers, the Company has deepened the technical capability reserve of the robot body, and facilitated the synergistic development and implementation of software and hardware technology.

1.2 Cloud-edge Collaboration and System Architecture

- Cloud-edge Master Control and Visualisation Platform Construction: To develop a unified cloud-edge collaboration framework to support unified management of multiple robots, real-time data visualisation, video streaming push and health monitoring. The data visualisation tool was optimised several times to support structured presentation of robot status, model predictions and task execution.

- Edge-side Ontology Engineering Optimisation: The ontology engineering achieves modular decoupling, supports multi-scene and multi-task switching, and improves system scalability and maintainability; optimises cloud-side communication mode, improves data transmission efficiency and system response speed, and further enhances product experience.

2. Intelligence System – Multi-modal Intelligent Algorithm R&D

2.1 Low-Level Control Strategies and Multi-Modal Fusion

- Continuous Optimisation of VLA Large Model Effect: Through self-developed VLA large model Robocket, the Robocket-based low-level control strategy is optimised to achieve end-to-end action generation and smooth control, with significant improvement in inference speed and success rate on different platforms and tasks.

- Multi-task/Multi-scene Generalisation Capability Enhancement: Through multi-task hybrid training, data enhancement, and model structure optimisation, the generalisation capability of Robocket large model under different scenes and tasks is enhanced. The model has achieved excellent performance in several industrial and commercial automation scenarios.

2.2 High-Level Language Control and Command Breakdown

- Linguistic Control Framework Exploration: The Company constructs a high-level linguistic control system based on large models to support natural language interaction, task planning and execution in complex scenarios, realising a closed loop of the whole chain of "speech-perception-decision-execution". The Prompt design continues to be optimised to improve the understanding and execution accuracy of large models for complex scenarios and complex task flows.

- Multi-Round Dialogue and Task Status Recognition: The product supports multi-round dialogue interaction and is able to dynamically adjust the execution plan according to scene changes and task progress. Functions such as end-of-task marking, auto reset and suspend/activate have been gradually improved to enhance the system's ease of use and security.

3. Data System – Data Collection and Systematic Management

3.1 Data Collection

- Multi-Scenario, Multi-Task Data Collection: Extensive high-quality training data has been collected across various industrial automation scenarios, such as material sorting. The system supports synchronised multimodal data acquisition, including images, depth maps, physical state data and language commands, and enables automated uploading, storage, transformation and verification of the data.

- Data Collection for Generalisation and Error Correction: To address scenarios prone to inference errors, supplementary datasets have been collected for error correction and generalisation tasks to enhance the robustness of large models.

3.2 Data Management

- Data Standardisation and Schema Optimisation: A unified data Schema has been established to support multi-platform and multi-task requirements. The system allows flexible conversion and loading of different data versions, improving consistency and reliability in data interactions across modules.

- Upgraded Data Visualisation Tools: Visualisation tools capable of handling multidimensional and multimodal data have been developed to facilitate front-end display and comparative analysis of outcomes. Key features include task replay and visualisation of model prediction trajectories.

- Data Statistics and Quantitative Evaluation: A comprehensive system for data statistics and quantitative evaluation has been implemented to enable multi-dimensional analysis by task, scenario or model version. Periodic data reports are generated to support algorithm optimisation and product decision-making.

ChatCAD maintains a clear strategic focus on developing the next generation of intelligent CAD design products. In the first half of the year, it has made significant progress on the development of Image-To-CAD solution iPID (Intelligent Process Piping and Instrument Diagram) through collaboration with Bentley Software. They concentrated on key areas including data construction, model training, algorithm optimisation, application development and product deployment. These efforts culminated in the successful release of iPID 1.0, marking a breakthrough for ChatCAD in intelligent industrial design and laying a solid foundation for future innovations in CAD-To-Text and Text-To-CAD technologies.

Introduction of iPID product

1. Positioning and core values of product

- **Joint innovation**: the iPID is jointly developed by Bentley and AInnovation and designed for Chinese users, deeply integrating top AI large models and engineering design experience.

- **Product positioning**: for petrochemical, metallurgy, power, pharmaceutical and other industries, it provides automation and intelligent conversion capabilities from static drawings to intelligent PID, and realizes multi-stage digital upgrades such as design, operation and maintenance, and transformation.

- **Technical foundation**: we independently develop industry-leading multimodal industrial models that integrate multi-source information such as text, images, and CAD to support high-precision recognition and understanding in complex scenarios.

2. Main functions of the product

- **Multi-format, multi-size drawing analysis**: it supports a variety of input drawing formats and sizes, greatly enhancing industry adaptability.

- **Graphical and text information recognition**: it realizes accurate identification and generation of equipment, pipelines, pipe fittings, valves, instruments, and other components, and supports multi-language and multi-font text extraction to meet the needs of complex industrial scenarios.

- **Intelligent identification of connection relationships**: it automatically identifies key connection relationships such as equipment nozzles, pipelines, and connection symbols, establishes a complete logical topology, and significantly improves design accuracy and subsequent engineering application value.

- **Intelligent identification of extraterritorial components**: it supports users to upload unseen component legends, assists large models in intelligent identification in real time, and enhances the system's ability to generalize non-standard symbols in the industry.

- **End-to-end structured output**: it implements automated conversion from drawings to structured JSON, DGN, DWG, and other formats, facilitating data flow and system integration.

3. Integration of product system

- **Deep integration with OpenPlant PID**: iPID seamlessly integrates with Bentley's OpenPlant PID platform, supporting full-process design operations such as intelligent PID drawing content editing, attribute modification, and annotation addition.

- **Drawing attributes and BOM management**: one-click extraction of drawing attributes and automatic statistics of BOM lists, which support multi-format export to meet the needs of enterprise multi-system docking and data analytics.

- **Multi-user collaboration and security operation and maintenance**: it supports project-level multi-user collaboration design, attribute marking, and comment correction to ensure efficient team collaboration and data security.

- **Efficient deployment and open API**: the product supports open API, and is easy to deploy, scalable, and highly reliable, and adapts to enterprise-level large-scale application scenarios.

4. Industry application and value embodiment

- **Design stage**: it significantly improves design efficiency (8 hours → 1 hour), shortens project cycle by more than 85%, improves design quality and reduces risks.

- **Transformation stage**: it quickly identifies old drawings, intelligently completes the transformation plan, strengthens industry norms and enterprise standards, and ensures the safety and efficiency of the transformation.

- **Multi-industry implementation**: it has been applied in multiple industry scenarios such as petrochemical, metallurgy, power, and pharmaceuticals and other industries, forming customized solutions.

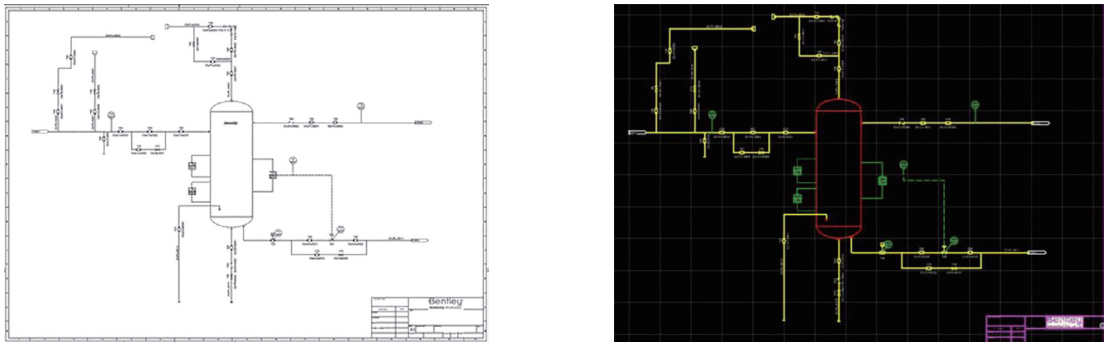

Figure (2) Schematic of iPID function

Technical progress of iPID

1. Cross-domain data synthesis

1.1 Continuous expansion of data scale

- Significant increase in data size: during the first half of 2025, the ChatCAD dataset has undergone multiple rounds of expansion, reached the million level and covered a variety of mainstream drawing sizes, component styles, font sizes, and complex composition scenarios.

- Diversified data generation: the data generation algorithm is continuously optimized to support multi-dimensional changes such as different component styles and sizes. Through the “random + special scene supplementation” strategy, the diversity and generalization ability of the data are improved.

1.2 Optimization of the quality and structure of data

- Data structure standardization: it adjusts and optimizes data structures multiple times to improve data compatibility and scalability; develops data verification and filtering scripts to automatically detect and repair data anomalies, significantly improving data quality.

- Data enhancement and noise introduction: it enhances the robustness of the model to complex and disturbing scenarios by increasing component unequal scaling, text density, and synthetic noise.

2. End-to-end multimodal large model

2.1 Improvement of component recognition and generalization capabilities

- Iteration of known component recognition model: it develops a multimodal industrial large model suitable for the scenario and uses a mixed training strategy of end-to-end and instruction decomposition. For different types of components, the recognition accuracy and generalization ability are greatly improved.

- Exploration of unknown component recognition: it innovatively introduces unknown component recognition tasks and designs diverse training and evaluation schemes. It improves the adaptability of the model to unknown components through means such as Prompt engineering, data grouping, instruction diversification, and data enhancement.

- Improvement of component relationship recognition capacity: through the global analysis ability of the large model on the input picture, the complex connection relationship and subordination relationship between the components are efficiently identified, which greatly improves the model's ability to understand the structure of complex engineering drawings.

2.2 Engineering and system optimization

- Full-link data quality assurance: it develops a variety of data preprocessing and post-processing functions, including text filtering, data purification, anomaly detection, data enhancement, etc., to improve the quality of training data and the accuracy of inference results.

- Large model training engineering upgrade: it introduces distributed training, mixed precision training and other technologies to improve training efficiency and model performance, meeting the development needs of multimodal models with tens of millions of data volumes and complex structures.

- Evaluation and quantification system construction: it improves the model evaluation script, supports multi-dimensional indicators (such as character level, component level, relationship level) evaluation, and facilitates rapid positioning of model shortcomings and clarifies optimization direction.

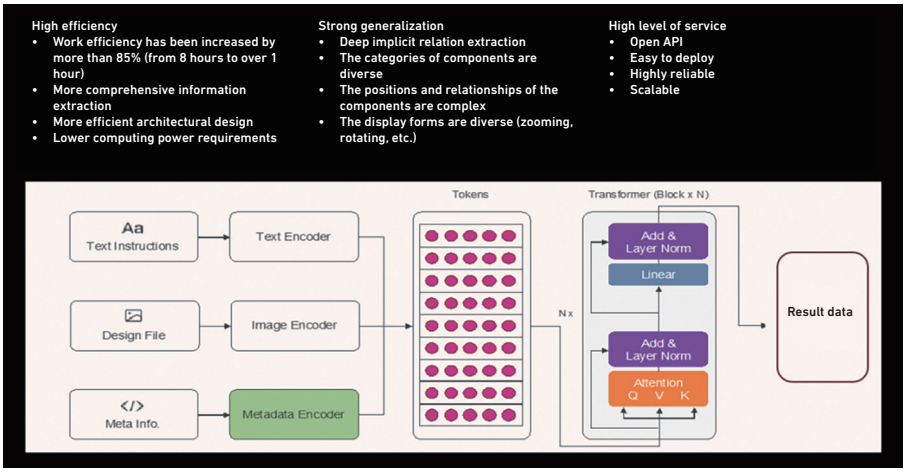

Figure (3) Features of iPID technology

In addition, in terms of AInnoGC industrial LLM technology platform, the Company continues to deepen investment in AI Agent fields, which significantly improves the comprehensive ability of the platform. We have developed the asset square module to realize the unified storage, management, and sharing of AI Agent applications, pre-built workflows, functional tools, and adaptation model assets through platform-level centralized resource sharing and consumption, greatly promoting the

reuse of assets and the development efficiency of agent applications. At the same time, through the MCP agreement (Model Context Protocol), a set of common guidelines and formats is established, to allow agent applications to dynamically obtain relevant information and perform operations when needed, thus enhancing their functionality and scope of use. This provides a solid foundation for building safe, efficient, and scalable plug-in interactions, and significantly enhances the collaboration flexibility and reliability of complex tasks. To cope with the growth of user scale and ensure robustness of the platform, the platform introduces monitoring operation and maintenance module, achieves real-time monitoring of model service performance, total invocation amount, Token consumption, average invocation time, AI Agent application instance status, failure times, invocation frequency, average time and user operation log on the platform, ensures that users can monitor the bottlenecks and failures of models and applications in real time when using the platform, optimizes system resource allocation, and realizes active operation and maintenance of published models and applications, thereby ensuring high availability and stable operation of agent applications under large-scale loads. Through these capabilities, the platform's functional system and robustness have been further improved, enhancing its ability to develop, deploy, collaborate, and manage complex AI Agents in industrial scenarios in an all-round way, providing a more powerful one-stop support for the implementation of industrial agents.

Enrichment of AI products and solutions

In the first half of 2025, the Company unwaveringly positioned the application of AI technology in the industrial sector as the strategic core of our corporate development. Leveraging the dual technological foundations of the MMOC analytical AI platform and the AInnoGC generative AI platform, we focused on advancing the research, development, and application of AI technologies in industrial software and robotics. Guided by market demand, we closely aligned with key industry trends of concern to enterprises, continuously driving the industrialisation of AI technologies. By deepening the integration of AI technology with business scenarios, we were committed to accelerating the digital and intelligent transformation and upgrading across multiple niche industrial sectors. That enabled us to provide industrial clients with highly tailored intelligent solutions while laying a solid foundation for the Company's high-quality business growth.

In the field of industrial software, we continue to advance the productisation of AI technology integrated with industrial software. By further refining the practical experience gained from industry-leading clients, we are deepening the exploration of actionable AI applications, firmly guided by the demands of industrial customers. Leveraging our continuously innovated AInnoGC LLM product matrix, we have further empowered industrial clients across the entire production chain while enhancing industrial design, production management, equipment operation and maintenance, energy consumption management, and other processes through transformative upgrades to their industrial software. That has led to the innovative launch of intelligent industrial software, including ChatCAD (Generative Assisted Industrial Design), AMES (AI-powered Manufacturing Execution System), AEAM (AI-powered Enterprise Asset Management System), and AEMS (AI-powered Energy Management System), enabling more effective monitoring, analysis, and traceability of key production metrics, thus elevating the intelligent management capabilities of industrial enterprises. For leading enterprises in key vertical markets, such as food & beverage, new materials, and equipment manufacturing, we will align closely with their industry-specific characteristics and operational realities to address their growing and urgent digital and intelligent transformation needs. Adhering to our "1+N" and "1*N" commercial strategy, we will intensify demand discovery and sustain engagement within benchmark clients, and also leverage successful case studies to drive commercial adoption across broader industry ecosystems.

In the field of industrial campus, we are driving the productisation and commercialisation by deeply integrating AI technologies with industrial and office campus management systems. Through multi-layered, multi-dimensional convergence, we have achieved precise empowerment across the entire campus management cycle, spanning video intelligence, data intelligence, and LLM technology. Notably, in campus security management scenarios, we have innovatively combined visual intelligence with multi-modal LLM technologies, significantly enhancing the generalisability and accuracy of behavioural safety detection across diverse campus environments. Furthermore, we have successfully deployed solutions from the AInnoGC LLM product matrix, including the AInno-Agent intelligent platform and LLM-powered data analytics assistants, into campus energy management systems. This has substantially enhanced the operational intelligence in the automation of energy data extraction, cleansing, analysis, and anomaly alerting. Leveraging our maturing productisation capabilities, the AInno-Agent platform and knowledge base document analysis assistant have played pivotal roles in daily campus management. Especially in document-intensive processes such as investment attraction, marketing operations, contract review, records management, and enterprise administration, they have efficiently enhanced the office efficiency and governance standards of campus management clients.

In the field of intelligent equipment, we continue to advance the productisation of machine vision-based upgrades for smart devices in the panel and semiconductor industries. Building on this foundation, we have further expanded the application boundaries of intelligent equipment management software systems by deeply exploring and integrating cutting-edge LLM technologies to achieve transformative technological progress. For the upper-layer software management of intelligent equipment, we have fully leveraged the exceptional capabilities of LLMs in data management, organisation, and synthesis, combined with machine learning's robust functionalities in data cleansing, data imputation, outlier analysis, and logical data assessment. This synergy has enabled us to develop an efficient and intelligent production management system. Meanwhile, we have employed LLM technology to establish comprehensive equipment maintenance and operational knowledge bases. These repositories have not only significantly enhanced the intelligence of hardware maintenance management, fault diagnosis, repair workflows, and equipment performance monitoring but also facilitated the preservation and sharing of management expertise and knowledge.

In the field of iron and steel metallurgy, we are continuing to strengthen our digitalisation and intelligentisation strategy for "industrial production logistics". Firstly, we consolidate the competitive edge of our flagship products by successfully implementing an integrated intelligent iron-steel interface system and locomotive autonomous driving project at a steel manufacturer in southern China. This has enabled the optimisation and upgrading of molten iron scheduling models and dynamic iron-steel balance models. Secondly, we have achieved breakthroughs in AI-powered industrial logistics innovation. Our intelligent uncoupling robot for tipplers has been successfully deployed at a northern mining company, marking our entry into the industrial robotics domain. Simultaneously, we are accelerating the progress of our self-developed products. The H-GNSS high-precision satellite-positioning equipment for complex industrial scenarios has been successfully implemented for the first time at a mining company in northern China. Prototypes of mobile sensing devices have entered testing, and functional trials of intelligent drone inspection systems are under way. These R&D and application efforts are significantly advancing the localisation and domestic production of core equipment for industrial production logistics.

In the field of intelligent manufacturing practical training, we are further expanding the application boundaries of LLM technology across vocational training and broader education industries. Leveraging regional intelligent manufacturing practical training centres as our foundation, we have implemented localised strategies that carefully align with government policies and sector-specific educational requirements. This enables us to deepen the integration of AI technologies in AI-powered educational software and intelligent industrial robotics. Powered by our core AInnoGC-Agent intelligent platform, we have delivered an education learning platform built upon LLM technology. This solution employs intelligent methodologies to facilitate educational scenarios, including lesson preparation, teaching evaluation, knowledge retrieval, and student self-directed research. The system's intelligent capabilities encompass automated test generation, automated marking, learning outcome analysis, and knowledge point extraction. Concurrently, we are implementing LLM-driven intelligent robotics within smart manufacturing training environments, applying LLM technology to robot simulation control systems. This dual approach significantly enhances robot programming efficiency while effectively mitigating safety risks during testing procedures.

In the field of automotive equipment, we have established an industry-leading intelligent conveying demonstration line by leveraging multi-modal LLM technology. Through deeply integrating industrial Internet platforms with intelligent edge-cloud collaborative products, we have achieved comprehensive efficiency innovation from equipment control to decision support. The demonstration line employs multi-modal perception technology for enhanced quality control, enabling precise identification of microscopic defects while reducing manual inspection requirements. Critical nodes are equipped with various sensors to construct fault characteristic knowledge graphs, with a hybrid architecture enabling predictive equipment failure alerts, thus reducing unplanned downtime, lowering maintenance costs, and extending asset lifespan. Edge nodes deploy lightweight models for real-time decision-making, dynamically adjusting conveying parameters through fusion of order data, equipment status, and environmental awareness, thereby boosting production capacity and reducing energy consumption. Our LLM-powered intelligent knowledge base integrates unstructured data across formats, enabling rapid knowledge retrieval through semantic vector search. Staff can access required information via voice commands, thus improving knowledge acquisition efficiency while eliminating cross-border team collaboration barriers. Through these innovations, the demonstration line has achieved measurable improvements in production cycle time and overall equipment effectiveness, while reducing unit energy consumption, labour costs, and maintenance expenditures.

The solution decreases annual operating costs per production line, lowers product defect rates, and shortens customer delivery cycles, all while achieving comprehensive functional safety certification. This successful implementation validates the practical feasibility of multi-modal LLM deployment while establishing a new paradigm for smart manufacturing. Looking ahead, we plan to extend this model to more complex scenarios, thereby accelerating progress toward the industry's ultimate objectives.

In the financial sector, we have comprehensively advanced the application of AI LLMs and data solutions to deliver significant efficiency gains for trust companies and futures firms. For our trust sector clients, we have developed a data governance and data warehouse solution that leverages LLM capabilities to automate unified data collection and scheduling. This solution has reconstructed data warehouse models to enhance service capacity while implementing intelligent management of metadata and data quality through a unified control platform. The system supports critical scenarios, including regulatory reporting and self-service analytics, effectively addressing challenges such as inadequate data management frameworks and insufficient service capabilities. As such, it substantially improves both data processing efficiency and business responsiveness. For futures companies, we have provided an end-to-end master data governance solution that leverages LLMs to intelligently retrieve industry regulations and generate data standards. The solution automates the creation of asset catalogues and security classifications while employing AI algorithms to monitor and cleanse data quality. It automatically generates master data models, traces data origins, and constructs relationship graphs to enable multi-level risk tracking, establishing a "governance - application - optimisation" cycle. This approach resolves inefficiencies caused by data fragmentation and inconsistent standards. At the same time, the natural language processing capabilities of LLMs significantly lower the technical barrier for non-expert users, enabling self-service analytics and intelligent data querying. This drives efficiency gains across regulatory reporting, business analysis, and compliance risk control scenarios while reducing collaboration costs. Our objective is to unlock the full value of data assets through these solutions, thus accelerating financial institutions' transition to data-driven operations. By expanding coverage across asset management domains, we sustain our efforts to empower clients to navigate complex market and regulatory environments while delivering performance improvements in critical business functions.

Part II: Future Outlook

We firmly believe that new quality productive forces constitute the core driving force for the high-quality economic development in China, and the digital and intelligent transformation of the manufacturing industry represents an irreversible industrial trend. In the short term, the economy will maintain a steady recovery through 2025. Despite lingering uncertainties, breakthrough innovations driven by AI are injecting new momentum and development opportunities into industrial upgrades. We remain strongly committed to our strategic commitment to "Empowering Businesses with AI Technology" by concentrating on breakthroughs in generative AI technologies, focusing on specialized and new technologies, and accelerating the pace of AI commercialization. By deeply integrating cutting-edge AI technologies with practical industry needs, we empower the development of new quality productive forces through technological innovation.

Looking ahead, we are highly confident in the broad prospects of China's new industrialization and new quality productive forces. We will continue to consolidate and strengthen our "one model, one agent and two wings" strategic framework, increase investment in core technology R&D, and promote the coordinated development of software and hardware to provide manufacturing enterprises with more comprehensive and higher-quality AI solutions. Concurrently, we will further promote the application and deployment of industrial LLM within specialized manufacturing sectors. Building upon our existing projects, we will offer clients value-added solutions based on large models, expanding the breadth and depth of industrial LLM applications across specialized and new industries such as iron and steel metallurgy, panel semiconductor, 3C (computers, communications, and consumer electronics) high-tech, automotive equipment, energy and power, engineering construction, food and beverage & new materials, intelligent manufacturing practical training. Furthermore, we will adhere to high-quality corporate development. Adopting a proactive posture of "shifting from defense to offense", we will persistently drive towards achieving profitability to realize sustainable healthy development.

Looking ahead, the Company is committed to continuously strengthening technological innovation. By developing more partnerships, we will accelerate product iteration centered on industrial LLM and its scenario-based implementation, which will fully unlock its business value and provide robust technological momentum for the Company's development.

- **ChatRobot: Building an industrial embodied AI robotics platform**

  - Software-hardware co-optimization: Refine the modular design of robot bodies to enhance multi-platform compatibility and system stability. Optimize the design and technical implementation of the cloud-tiered architecture to improve performance and maintainability.

  - Breakthroughs in intelligent algorithm: Promote the application of the underlying VLA large model (Robocekt) in robot control to enhance end-to-end intelligent decision-making capabilities. Strengthen high-level language comprehension, task decomposition, and dynamic planning capabilities to support more complex, diverse scenarios and task requirements.

  - Enhancement of data management and evaluation systems: Continuously improve the efficiency and quality of data production to ensure compliant and traceable data. Refine multi-dimensional, multi-task quantitative evaluation standards to enable continuous tracking and optimization of model and product effectiveness.

  - Productization and market expansion: Continuously refine the user interaction experience to reduce the learning curve. Strengthen ecosystem collaboration and utilize the ChatRobot "Generalist Agent" paradigm to drive diverse robot bodies, providing customized hardware-software solutions that rapidly meet diverse application scenario demands.

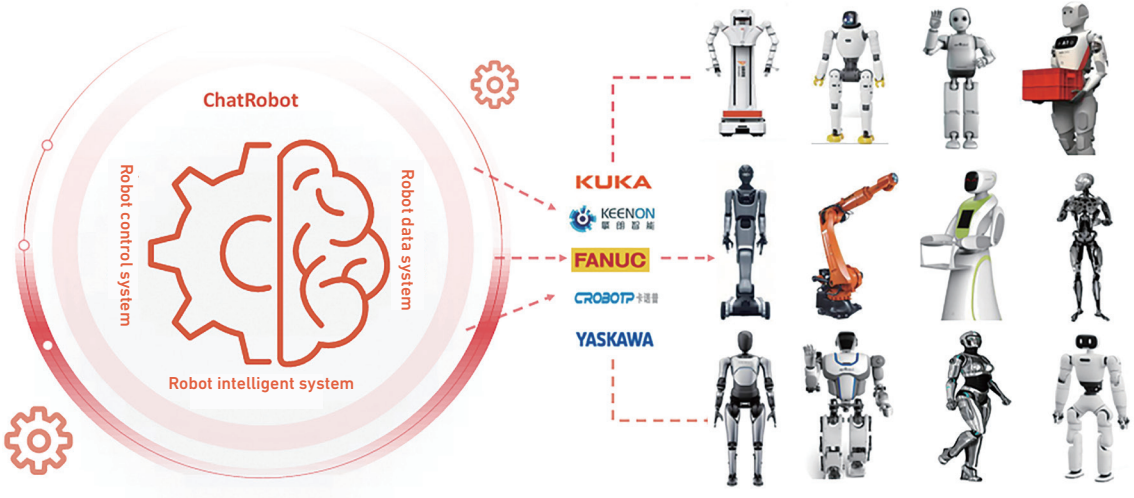

Figure (4) ChatRobot "Generalist Agent"

- **ChatCAD: Collaboration with Bentley to further enhance the next-generation generative intelligent CAD product iPID**

  - Enhancing end-to-end large model capabilities: Promoting the application of large models in Image-To-CAD scenarios to improve recognition and comprehension capabilities in complex environments. Increasing investment in challenging areas such as unknown component identification and complex relationship extraction. Innovating training strategies and data augmentation methods to boost model generalization and robustness. Building on Image-To-CAD, further exploreing technical pathways and product solutions for CAD-To-Text and Text-To-CAD.

  - Optimizing cross-domain data synthesis: Refining intelligent data generation and validation tools to improve data production efficiency. Continuously enriching data generation strategies based on users' actual scenarios to construct larger-scale, higher-quality datasets. Simultaneously, establishing a multi-dimensional data evaluation and closed-loop feedback system to continuously enhance data quality and support optimization decisions for algorithms and products.

  - Productization and market expansion: Continuously optimizing user experience to improve product usability and satisfaction. Collaborating deeply with Bentley on industry-specific scenarios and ecosystem partnerships, aiming to establish flagship projects and drive the formulation of industry standards and technical exchange.

- **AI Agent: Strengthening the technical foundation to accelerate industrial agent deployment**

  - Industrial agents are rapidly evolving from conceptual frameworks into core enterprise productivity drivers. We are committed to systematically building a more robust technical foundation for industrial agents and driving their deep integration and value realization within enterprise business chains, creating future-ready intelligent engines for manufacturing enterprises.

- Specifically, we will maintain our focus on scenario-specific empowerment: Leveraging extensive accumulated domain expertise and data assets in manufacturing, we will precisely target core business functions including design and R&D, production, office operations and maintenance, logistics and supply chain, and customer service to create highly adaptable, plug-and-play vertical-scenario agents. By deeply integrating AI Agents into existing industrial software systems and solutions, and utilizing the industrial data platform, business asset center, and AI Agent application development platform, we will establish end-to-end connectivity across data, algorithms, processes, applications, and business systems, which constructs a "Data - Model - Agent Application" closed loop. Building upon this foundation, we will establish an agent application matrix covering multiple business scenarios, fostering a flexible and open industrial intelligent convergence ecosystem that significantly shortens the intelligent upgrade cycle for traditional systems. Our goal is to establish an intelligent closed-loop spanning the entire enterprise production and operation chain, achieving end-to-end efficiency improvements from production execution to management decision-making. This lays a solid, data-driven foundation for intelligent decision-making, paving a high-speed pathway for deepening enterprise intelligence.

Continuous enrichment of AI products and solutions

In our work plan for the second half of 2025, we remain steadfast in executing our strategic vision of empowering industries with AI. Anchored by our AInnoGC Industrial LLM and Agent intelligent development platform, we will focus on industrial software and robotics as the primary carriers of AI, striving to drive the industrial-scale implementation of AI across various manufacturing sectors. We will continue to review and consolidate the Group's existing AI technology assets and hardware and software portfolios. Leveraging our insight into vertical industries, we aim to integrate and fuse our existing capabilities to accelerate the development of large model-based product systems. This will enable us to deliver greater business value to our clients and comprehensively support their digital and intelligent transformation.

In the field of industrial software, we will deepen the strategic integration of LLM technology with industrial software product systems. Focusing on the operational scenarios of leading enterprises in key verticals such as food and beverage, industrial parks, new materials, and equipment manufacturing, we will apply our LLM capabilities to empower core systems including EAM (Enterprise Asset Management), MES (Manufacturing Execution System), QMS (Quality Management System) and EMS (Energy Management System). Powered by our continuously evolving Agent platform, along with an expanding toolset and scenario library, we will unlock the value of AI across multiple management processes, such as production management, equipment management, scheduling and planning, and contract review within manufacturing organisations. Meanwhile, we will strengthen strategic collaborations with leading industrial software suppliers to explore broader and deeper synergies. With enhanced insights into industry-specific Know-How and operational pain points of our clients, we aim to identify common challenges, replicate AI-powered solutions horizontally and vertically through productised capability accumulation, and then expand our market influence.

In the field of iron and steel metallurgy, we will deeply combine our background of technology with industry Know-How and take general consulting and system simulation as the lead, to build the hard support of independently controllable intelligent equipment and construct the soft strength with deep learning and operation optimization as the core algorithms. We will further strengthen and promote our flagship products and intensify innovation and application in areas such as industrial robots, drones and intelligent sensing devices. Through a point-to-surface approach, we aim to drive collaborative development and innovation across the entire industry chain.

In the field of automotive equipment, further breakthroughs will be made in the application of multimodal large models in the field of automotive equipment, especially promoting the intelligent manufacturing system stepping into a stage of wide-area coordination through continuous optimization of the technical architecture and scene adaptation capabilities. In terms of technical evolution, we will conduct more efficient edged-port deployment for the lightweight multimodal model, which will further enhance the integration with the equipment control system, and achieve the real-time analysis of multi-source sensory data in millisecond response, therefore, the dynamic adjustment made in quality control will be more predictable, and the coverage of the identification of minor defects will be extended from the key components to the whole process, which will significantly reduce the need for manual intervention. The predictive maintenance system will help us realize knowledge transfer

across heterogeneous devices, enhance the accuracy of potential risk prediction in complex assembly scenarios by constructing a larger vulnerability connection network, and extend the coverage of device types from the transmission system to the core processes such as welding and painting, further shortening unplanned downtime and extending the life cycle of devices. Through the intelligent scheduling system, we will break through the limitation of a single production line and extend the collaborative capacity to the supply chain end. In particular, by integrating cross-domain data such as order fluctuation and logistics status, the system will help realize the dynamic adaptation of the production plan and material distribution, maintain an efficient operation in the scenario of the surge of customized production demand, while continuously reducing the unit consumption of energy. As to the knowledge management system, we will upgrade it to a cross-organizational collaboration platform to realize real-time knowledge sharing among design, production, and operation and maintenance teams through the optimization of multimodal interaction technology, further eliminating the information gaps among different links and qualitatively improving the efficiency of technical communication in cross-border collaboration. Through deep application and penetration of the above technologies, we will promote the transformation of the intelligent manufacturing model in the field of automotive equipment from single optimization to wide-area coordination, fully enhance the response time and resource utilization of the whole production chain, promote further reduction of operating cost and continuous improvement of the stability of product quality, providing a more solid technical support for flexible production and green manufacturing.

In the field of intelligent manufacturing practical training, we will further deepen and expand the application of AI technology in educational software. With the AI Agent platform as our core technology and product asset, we will establish an advanced tool platform that supports teachers and students to conduct large model learning, which will facilitate efficient business development, including but not limited to teaching preparation, teaching evaluation, knowledge query, and student self-study. In addition, we will simultaneously promote the deep integration of multimodal large model technology and practical training machines, explore and develop intelligent supervision, intelligent examination monitoring, intelligent security maintenance, intelligent learning data analysis and other brand-new branches to realize comprehensive coverage and intelligent upgrading of the whole industrial chain of education, training, examination and competition in the field of intelligent manufacturing practical training industry.

In the financial sector, we will continue to deepen the application of AI large models and data solutions in the financial sector to further enhance the business efficiency of trust and futures companies. In the trust field, based on the existing data management and data warehouse application solutions, we will strengthen the automation of the large model in data collection and scheduling, optimize the data warehouse model to shorten AI service response time, upgrade the metadata and data quality management function of the unified control platform to cover more scenarios such as customer management and product analysis, in order to solve more tricky problems concerning data correlation and dynamic management, further improve the response efficiency in scenarios such as regulatory submissions and management dashboard, supporting more accurate decision-making in trust business. In the futures field, we will upgrade the one-stop master data management solution, enhance the comprehensiveness of industry standard retrieval and the accuracy of data standard generation relying on the large model, improve the automation of asset catalog construction and security classification, optimize the real-time data quality monitoring and cleansing by AI algorithms and expand the coverage of master data model, so as to enhance the efficiency of the "governance-application-optimization" cycle and completely solve the outstanding problem of data fragmentation and inconsistent standards. At the same time, we will further leverage the natural language processing capability of the large model, lower the threshold for non-technical users to gain access to more scenarios such as customer analysis and product risk control, extend self-service analysis and intelligent questioning functions to cover a wider range of business segments, which will dramatically reduce the cost of cross-departmental collaboration. In addition, we will promote the extension of the solution to other asset management fields, use our proven experience in the trust and futures fields to securities, funds and other fields, activate the value of a wider range of data assets through continuous optimization of the solution, help more financial institutions accelerate the data-driven transformation, and provide more powerful empowerment to more clients in key business scenarios amidst a complex market and regulatory environment, so as to continuously improve the overall efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In 2025, as the commercialization of large models has been continuously advanced, the application of large models becomes more prominent in the manufacturing industry. As the market leader of "AI + Manufacturing", AInnovation keeps increasing the investment in technology research and development and market expansion and fully promotes the implementation of the strategy of "one model, one agent and two wings". Specifically, we not only deepen the industrial scenario application of industry large models for manufacturing customers, and join hands with leading enterprises to build an industry ecosystem and navigate for further industry development. At the same time, after a phased stable adjustment in 2024, the Company has stepped into a new stage of "resilience to resurgence". In the first half of 2025, both revenue and profitability have been improved, demonstrating a favorable situation of balanced development in both quantity and quality.

REVENUE

Our revenue for the six months ended 30 June 2025 was RMB699.0 million, representing an increase of 22.3% as compared with RMB571.7 million for the six months ended 30 June 2024, which was primarily driven by revenue growth resulting from the expanded manufacturing business.

In terms of the manufacturing industry, revenue for the six months ended 30 June 2025 was RMB555.6 million, representing an increase of 27.0% as compared with RMB437.5 million for the six months ended 30 June 2024.

In terms of the financial services industry, revenue for the six months ended 30 June 2025 was RMB70.1 million, representing a decrease of 15.4% as compared with RMB82.9 million for the six months ended 30 June 2024.

COST OF SALES

Our cost of sales for the six months ended 30 June 2025 was RMB454.3 million, representing an increase of 20.0% as compared with RMB378.5 million for the six months ended 30 June 2024, primarily due to higher costs driven by revenue growth.

In terms of the manufacturing industry, cost of sales for the six months ended 30 June 2025 was RMB348.9 million, representing an increase of 27.0% as compared with RMB274.8 million for the six months ended 30 June 2024, primarily due to higher costs driven by revenue growth in the manufacturing industry.

In terms of the financial services industry, cost of sales for the six months ended 30 June 2025 was RMB47.0 million, representing a decrease of 23.3% as compared with RMB61.3 million for the six months ended 30 June 2024, primarily due to lower costs driven by revenue decreases in the financial services industry.

GROSS PROFIT AND GROSS MARGIN

As a result of the foregoing, our overall gross profit for the six months ended 30 June 2025 was RMB244.7 million, representing an increase of 26.7% as compared with RMB193.2 million for the six months ended 30 June 2024. For the six months ended 30 June 2025, our overall gross margin was 35.0%, representing an increase of 1.2% from 33.8% for the six months ended 30 June 2024, primarily due to (i) higher delivery efficiency and our effective cost control; and (ii) our ongoing optimisation of the business portfolio with a focus on high-quality businesses.

SELLING AND DISTRIBUTION EXPENSES

Our selling and distribution expenses for the six months ended 30 June 2025 were RMB73.6 million, representing a decrease of 7.2% as compared with RMB79.3 million for the six months ended 30 June 2024, primarily due to our enhanced marketing efficiency and effective control over sales expenses.

The percentage of selling and distribution expenses in revenue decreased from 13.9% for the six months ended 30 June 2024 to 10.5% for the six months ended 30 June 2025, as our revenue grew at a faster pace.

GENERAL AND ADMINISTRATIVE EXPENSES

Our general and administrative expenses for the six months ended 30 June 2025 were RMB90.1 million, representing a decrease of 6.5% as compared with RMB96.4 million for the six months ended 30 June 2024, primarily as we took effective control measures over general and administrative expenses.

The percentage of general and administrative expenses in revenue decreased from 16.9% for the six months ended 30 June 2024 to 12.9% for the six months ended 30 June 2025, as our revenue grew at a faster pace.

RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses for the six months ended 30 June 2025 were RMB164.6 million, representing an increase of 11.2% as compared with RMB148.0 million for the six months ended 30 June 2024, primarily due to the overall increase in research and development investment driven by business expansion.

The percentage of research and development expenses in revenue decreased from 25.9% for the six months ended 30 June 2024 to 23.5% for the six months ended 30 June 2025, as our revenue grew at a faster pace.

NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

We had a net impairment loss on financial assets of RMB4.1 million for the six months ended 30 June 2025, remaining relatively stable compared to a net impairment loss of RMB4.5 million for the six months ended 30 June 2024.

OTHER INCOME

Other income primarily consists of government grants, which mainly relate to financial assistance from local governments in the PRC.

For the six months ended 30 June 2025, our other income was RMB20.8 million.

OTHER GAINS/(LOSSES), NET

Our other gains/(losses), net mainly comprise (i) interest income on financial assets at fair value through profit or loss; and (ii) fair-value changes on financial assets and liabilities at fair value through profit or loss.

For the six months ended 30 June 2025, our other gains, net was RMB4.6 million.

OPERATING LOSS

As a result of the foregoing, we had an operating loss of RMB62.2 million for the six months ended 30 June 2025, representing a decrease of 67.4% as compared with the operating loss of RMB190.8 million for the six months ended 30 June 2024. This was mainly driven by higher revenue and gross profit.

FINANCE INCOME

Our finance income for the six months ended 30 June 2025 was RMB2.4 million, representing a decrease as compared with RMB7.7 million for the six months ended 30 June 2024, primarily due to a decrease in interest income from bank deposits.

FINANCE COSTS

Our finance costs are primarily comprised of (i) interest expenses on lease liabilities; and (ii) interest expenses on bank borrowings.

For the six months ended 30 June 2025, our finance costs were RMB3.1 million, remaining stable compared to the six months ended 30 June 2024.

LOSS FOR THE PERIOD

For the six months ended 30 June 2025, we recorded a loss for the period of RMB60.5 million, representing a decrease of 67.2% from the loss of RMB184.6 million for the six months ended 30 June 2024. This was driven primarily by (i) the steady growth in gross profit from our focus on high-quality business; and (ii) our enhanced operating efficiency and effective control of operating expenses.

NON-IFRS MEASURES

Adjusted Net Loss

We define adjusted net loss as the net loss for the period adjusted by adding back share-based payment expenses, amortization of intangible assets arising from acquisition, impairment loss on goodwill and intangible assets arising from acquisition, and changes in fair value of financial assets/liabilities at fair value through profit or loss. The changes in fair value of financial assets/liabilities at fair value through profit or loss mainly include fair value changes of fund investments, other financial investments and contingent considerations.

The following table reconciles our adjusted net loss for the period presented to the most directly comparable financial measures calculated and presented in accordance with IFRSs, which are net loss for the periods.

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Reconciliation of net loss to adjusted net loss:		
Loss for the period	**(60,513)**	(184,553)
Add:		
Share-based payment expenses	**36,965**	42,085
Amortization of intangible assets arising from acquisition	**15,345**	21,860
Impairment loss on goodwill and intangible assets arising from acquisition	**—**	19,580
Changes in fair value of financial assets/liabilities at fair value through profit or loss	**1,522**	63,620
Adjusted net loss (Unaudited)	**(6,681)**	(37,408)

LIQUIDITY AND CAPITAL RESOURCES

Cash and Cash Equivalents

As at 30 June 2025, cash and cash equivalents of the Group were approximately RMB997.0 million (31 December 2024: RMB1,204.9 million). The change was mainly from cash outflows from financing, investing and operating activities. Most of the cash and cash equivalents of the Group were denominated in RMB.

Financial Assets at Fair Value Through Profit or Loss

As at 30 June 2025, the Group's current financial assets at fair value through profit or loss was approximately RMB32.2 million (31 December 2024: RMB2.4 million). The change was primarily due to the increase in structured deposits.

Gearing Ratio

The Group monitors capital on the basis of the gearing ratio, which is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including related party borrowing) and lease liabilities less cash and cash equivalents. As of 30 June 2025, the Group had a net cash position and the gearing ratio was not applicable.

MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2025, save as disclosed in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

MATERIAL INVESTMENTS HELD/FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS

As of 30 June 2025, save as disclosed in this announcement, we did not have material investments or future plans for other material investments or acquisition of capital assets.

FOREIGN EXCHANGE EXPOSURE

For the six months ended 30 June 2025, the Group mainly operated in the PRC with most of the transactions settled in RMB. The functional currency of our Company and the main subsidiaries is RMB. As of 30 June 2025, our balance of cash and cash equivalents was mainly denominated in RMB. The Group manages its foreign exchange risk by closely monitoring the movement of the exchange rates and will consider hedging significant foreign currency exposure if necessary. As of 30 June 2025, our business is not exposed to any significant foreign exchange risk.

PLEDGE OF ASSETS

As at 30 June 2025, the Group had no material pledge of assets.

BORROWINGS

As at 30 June 2025, borrowings of the Group were RMB113.2 million (31 December 2024: RMB127.7 million), mainly including short-term borrowings of several subsidiaries.

CONTINGENT LIABILITIES

For the six months ended 30 June 2025, due to a commercial lawsuit by one of the Group's subsidiaries, the subsidiary's bank deposits totalling RMB11.3 million and its equity interests in two subsidiaries have been frozen; the lawsuit is still ongoing.

Save as disclosed above, we had no other material contingent liabilities as at 30 June 2025.

SUBSEQUENT EVENT

Save as disclosed in this announcement, there was no significant event subsequent to the end of the Reporting Period and up to the date of this announcement.

OTHER INFORMATION

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

Repurchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, the Company repurchased a total of 4,714,700 H Shares (the "**Repurchased Shares**") on the Stock Exchange for a total consideration of approximately HK$24,169,825. Details of the Repurchased Shares are as follows:

		Price per share paid		
Month of Repurchase	**Repurchased Number of Shares**	**Highest Price (HKD)**	**Lowest Price (HKD)**	**Total Consideration (HKD)**
January	216,000	5.58	5.52	1,199,334
April	1,340,900	3.82	3.28	4,809,858
May	355,600	4.28	4.1	1,498,507
June	2,802,200	6.27	5.59	16,662,126
Total	**4,714,700**	**—**	**—**	**24,169,825**

As at 30 June 2025, a total of 1,506,300 shares repurchased during the period from 30 October 2024 to 29 November 2024 have been cancelled by the Company. The Repurchased Shares during the Reporting Period are held by the Company as Treasury Shares and will be disposed of or utilised based on the comprehensive consideration of market conditions and the Company's capital management needs.

As at 30 June 2025, the balance of the issued Shares of the Company was 563,544,438 shares (including 4,714,700 Treasury Shares). As referred to the circular of the Company dated 18 April 2024 and 24 April 2025, the Shares were repurchased for the purpose of safeguarding the value of the Company and the interests of the shareholders.

Save as disclosed above, neither the Company nor its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including sale of Treasury Shares) during the Reporting Period.

Compliance with the CG Code

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Listing Rules as the basis of the Company's corporate governance practice. The Company is committed to the view that the Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

During the Reporting Period, the Company has complied with all applicable code provisions set out in the CG Code.

The Company has also implemented certain recommended best practices set out in the CG Code.

Compliance with the Model Code for Securities Transactions by Directors, Supervisors and Employees

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors and Supervisors of our Company. Having made specific enquiries with all Directors and Supervisors by the Company, all Directors and Supervisors confirmed that they have been in compliance with the required standards set out in the Model Code during the Reporting Period.

Review of Interim Report by Audit Committee

The members of the Audit Committee of the Company consist of Mr. Xie Deren (Chairman of the Committee), Mr. Wang Hua and Ms. Ko Wing Yan Samantha. The interim results announcement for the six months ended 30 June 2025, 2025 interim report and the unaudited interim financial statements for the six months ended 30 June 2025 of the Group, which were prepared in accordance with the requirements under the International Financial Reporting Standards, have been reviewed and confirmed by Audit Committee of the Company.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ainnovation.com). The interim report of the Group for the six months ended 30 June 2025 will be dispatched to the Company's shareholders in the manner they have selected to receive corporate communications, and made available for review on the same websites in due course.

FURTHER CHANGE OF USE OF PROCEEDS AND ITS USEFUL LIFE

References are made to (i) the prospectus (the "**Prospectus**") of the Company dated 17 January 2022, in relation to the shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange, which set out the intended use of the net proceeds received by the Company from the Global Offering (the "**Initial Offering Proceeds**"); (ii) the announcements of the Company dated 7 June 2023 and 14 June 2023, in relation to the placing of new H Share under the general mandate by the Company (the "**Placing**"), which contained the intended use of the net proceeds of the Placing (the "**Placing Proceeds**"); (iii) the announcement of the Company dated 26 August 2024, in relation to the change of use of Proceeds and its useful life (the "**Announcement**", collectively these "**Announcements**" with (ii)); and (iv) the Company's annual report for the year ended 31 December 2024, which disclosed the use of proceeds from the initial public offering and the use of proceeds from the Placing as of 31 December 2024. Unless otherwise defined, terms used in this announcement have the same meanings as those defined in these Announcements.

Use of Proceeds After Changes Pursuant to the Announcement

The Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 27 January 2022. The net Initial Offering Proceeds amounted to approximately HK$1,070.1 million (approximately RMB871.22 million) after deducting underwriting commissions and other expenses payable by the Company. The completion of the Placing took place on 14 June 2023. The net Placing Proceeds after deducting the commissions, discretionary fee (assuming that it is paid in full) and estimated expenses amounted to approximately HK$378,856,331.

For the purposes of enhancing the efficiency of use of the Initial Offering Proceeds, the Board of the Company approved the adjustments to the planned use and proportion of part of the remaining Initial Offering Proceeds. In addition, considering the actual use of proceeds, the Board of the Company approved the adjustment to the useful life of the Initial Offering Proceeds and Placing Proceeds. The useful life of the Initial Offering Proceeds was extended from 31 December 2024 to 31 December 2025, and the useful life of the Placing Proceeds was extended from 31 December 2024 to 31 December 2027. For details, please see the Prospectus and these Announcements.

Further Change of Use of Proceeds and its Useful Life

For the reasons set out in the section headed "Reasons for and Benefits of Further Change of Use of Proceeds and its Useful Life" below, the Board of the Company approved the further adjustments to the planned use and proportion of part of the remaining Initial Offering Proceeds as follows: (i) reallocation of the unutilized net proceeds originally intended for enhancing our commercialization capabilities of approximately RMB8.75 million to working capital and general corporate use; (ii)

reallocation of the unutilized net proceeds originally intended for strengthening internal systems and upgrading information infrastructure of approximately RMB20.24 million to enhancing our R&D capabilities. As of the date of this announcement, the unutilized amount for each use and the available amount after this change are as follows:

Uses	**Initial available amount** *(RMB million)*	**Unutilized amount before this change** *(RMB million)*	**Available amount after this change** *(RMB million)*
Enhancing our R&D capabilities	Approximately 392.05	Approximately 0.24	Approximately 20.48
Enhancing our commercialization capabilities	Approximately 217.81	Approximately 8.75	—
For potential strategic investments and acquisitions	Approximately 87.12	—	—
Strengthening internal systems and upgrading information infrastructure	Approximately 87.12	Approximately 20.24	—
Working capital and general corporate use	Approximately 87.12	Approximately 59.42	Approximately 68.17

For the reasons set out in the section headed "Reasons for and Benefits of Further Change of Use of Proceeds and its Useful Life" below, the Board of the Company also approved the adjustments to the planned use and proportion of part of the remaining Placing Proceeds as follows: the reallocation of unutilized net proceeds of approximately RMB34.77 million, originally intended to be used as investment in enhancing our internal system and upgrading our IT infrastructure, with approximately RMB10 million reallocated to investment in R&D and approximately RMB24.77 million reallocated to working capital. As of the date of this announcement, the unutilized amount for each use and the available amount after this change are as follows:

Uses	Initial available amount *(RMB million)*	Unutilized amount before this change *(RMB million)*	Available amount after this change *(RMB million)*
Investment in R&D	Approximately 139.10	Approximately 37.34	Approximately 47.34
Investment in sales and marketing	Approximately 34.77	Approximately 34.77	Approximately 34.77
Investment in strategic expansion	Approximately 104.32	Approximately 104.32	Approximately 104.32
Investment in enhancing our internal system and upgrading our IT infrastructure	Approximately 34.77	Approximately 34.77	—
Working capital	Approximately 34.77	Approximately 7.73	Approximately 32.50

In addition, for the reasons set out in the section headed "Reasons for and Benefits of Further Change of Use of Proceeds and its Useful Life" below, the Board of the Company approved the adjustment to the useful life of the Initial Offering Proceeds. The useful life of the Initial Offering Proceeds will be extended from 31 December 2025 to 31 December 2027.

Reasons for and Benefits of Further Change of Use of Proceeds and its Useful Life

The Board of the Company approved the further adjustments to the planned use and proportion of the unutilized Initial Public Offering Proceeds as follows: (i) reallocation of the unutilized net proceeds originally intended for enhancing our commercialization capabilities of approximately RMB8.75 million to working capital and general corporate use; (ii) reallocation of the unutilized net proceeds originally intended for strengthening internal systems and upgrading information infrastructure of approximately RMB20.24 million to enhancing our R&D capabilities. The Board of the Company

also approved the further adjustments to the planned use and proportion of the unutilized Placing Proceeds as follows: the reallocation of unutilized net proceeds of approximately RMB34.77 million, originally intended to be used for investment in enhancing our internal system and upgrading our IT infrastructure, with approximately RMB10 million reallocated to investment in R&D and approximately RMB24.77 million reallocated to working capital. The reasons are as follows:

(i) With the effective promotion of the market strategy, the Company's commercialization capability has been continuously improved and recognized by certain organizations. Currently, the Company has a stable sales team, a sound sales network and a moderate market penetration rate. Accordingly, the Company plans to reduce its capital investment in enhancing its commercialization capabilities;

(ii) Since the listing of the Company on the Hong Kong Stock Exchange, the Company has been promoting the development of internal information systems, including project management system, financial management system and sales management system. At the same time, the Company has adopted a strategy to reduce costs and improve management efficiency. Accordingly, the Company plans to reduce its capital investment in strengthening internal systems and enhancing information infrastructure;

(iii) The Company has always been committed to continuous innovation and breakthroughs in technology. The reallocation of part of the Initial Public Offering Proceeds to enhancing our R&D capabilities and part of the Placing Proceeds to investment in R&D will be conducive to the promotion of technological innovations and product upgrades, and will ensure that the Company's products and services will remain at the forefront of the industry;

(iv) The reallocation of a portion of the Initial Public Offering Proceeds to working capital and general corporate use and the reallocation of a portion of the Placing Proceeds to working capital will enable the Company to utilize its idle cash in a more efficient and flexible manner, which is conducive to enabling the Company to capture the various business opportunities arising from its daily operations.

In addition, after taking into account that (i) the unutilized Initial Public Offering Proceeds as of 30 June 2025 represent more than 10% of the total Initial Public Offering Proceeds; (ii) there are only six months remaining before the end of the original timetable for the use of the Initial Public Offering Proceeds; and (iii) the Company expects that its future business requirements will be based on a focus on maintaining stable operations for long-term growth, the Board decided to extend the expected timetable for the use of the Initial Public Offering Proceeds from 31 December 2025 to 31 December 2027.

Except the afore-mentioned changes, the uses of Initial Offering Proceeds and Placing Proceeds have no other changes.

The Board of the Company is of view that the further change of use of proceeds and its useful life is in line with the Company's operating strategy, beneficial for the long-term development of the Company, in the Company and its shareholders' best interests as a whole, and will not cause any material adverse effect to the Company's existing business and operation.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Six months ended 30 June	
		2025	2024
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
Revenue	5	**698,981**	571,704
Cost of sales	6	**(454,253)**	(378,479)
Gross profit		**244,728**	193,225
Selling and distribution expenses	6	**(73,571)**	(79,285)
General and administrative expenses	6	**(90,069)**	(96,444)
Research and development expenses	6	**(164,564)**	(148,042)
Net impairment losses on financial assets		**(4,110)**	(4,538)
Impairment loss on goodwill and intangible assets arising from acquisition		**—**	(19,580)
Other income	7	**20,817**	23,299
Other gains/(losses), net	8	**4,582**	(59,386)
Operating loss		**(62,187)**	(190,751)
Finance costs	9	**(3,140)**	(3,821)
Finance income	9	**2,392**	7,703
Loss before income tax		**(62,935)**	(186,869)
Income tax credit	10	**2,422**	2,316
Loss for the period		**(60,513)**	(184,553)
Other comprehensive loss, net of tax			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		**(185)**	(140)
Other comprehensive loss for the period, net of tax		**(185)**	(140)
Total comprehensive loss for the period		**(60,698)**	(184,693)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
	Note	**2025**	2024
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
Loss for the period attributable to:			
Owners of the Company		**(56,156)**	(195,483)
Non-controlling interests		**(4,357)**	10,930
Loss for the period		**(60,513)**	(184,553)
Total comprehensive loss for the period attributable to:			
Owners of the Company		**(56,237)**	(195,559)
Non-controlling interests		**(4,461)**	10,866
Total comprehensive loss for the period		**(60,698)**	(184,693)
Basic and diluted loss per share for loss attributable to the owners of the Company (in RMB)	12	**(0.10)**	(0.36)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	**As at 30 June 2025**	As at 31 December 2024
		RMB'000	*RMB'000*
		(Unaudited)	
ASSETS			
Non-current assets			
Property, plant and equipment	13	**30,453**	38,957
Right-of-use assets	13	**35,421**	39,643
Intangible assets	13	**191,072**	207,017
Goodwill	13	**175,213**	175,213
Deferred income tax assets		**5,608**	5,901
Financial assets at fair value through other comprehensive income		**9,000**	9,000
Financial assets at fair value through profit or loss	17	**16,750**	—
Other non-current assets		**11,828**	12,010
Total non-current assets		**475,345**	487,741
Current assets			
Inventories	14	**260,972**	156,686
Trade and notes receivables	15	**462,743**	477,913
Prepayments and other receivables	16	**350,179**	277,498
Financial assets at fair value through other comprehensive income		**12,538**	9,393
Financial assets at fair value through profit or loss	17	**32,240**	2,439
Restricted cash		**19,251**	6,583
Cash and cash equivalents		**997,046**	1,204,879
Total current assets		**2,134,969**	2,135,391
Total assets		**2,610,314**	2,623,132

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2025

	Note	**As at 30 June 2025**	As at 31 December 2024
		RMB'000	*RMB'000*
		(Unaudited)	
EQUITY			
Equity attributable to owners of the Company			
Share capital		**563,545**	565,051
Share premium		**2,626,071**	2,631,580
Less: Treasury shares		**(367,908)**	(313,711)
Other reserves		**1,139,926**	1,103,042
Accumulated losses		**(2,498,218)**	(2,442,062)
		1,463,416	1,543,900
Non-controlling interests		**169,587**	168,328
Total equity		**1,633,003**	1,712,228

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2025

	Note	**As at 30 June 2025**	As at 31 December 2024
		RMB'000	*RMB'000*
		(Unaudited)	
LIABILITIES			
Non-current liabilities			
Lease liabilities		**27,735**	33,406
Deferred income tax liabilities		**24,804**	27,546
Other non-current liabilities		**9,545**	3,741
Financial liabilities at fair value through profit or loss	20	**28,053**	26,205
Total non-current liabilities		**90,137**	90,898
Current liabilities			
Borrowings	18	**113,198**	127,735
Lease liabilities		**16,517**	19,918
Trade and notes payables	19	**388,013**	289,704
Contract liabilities		**139,364**	109,242
Other payables and accruals		**147,783**	190,335
Current income tax liabilities		**2,622**	3,268
Financial liabilities at fair value through profit or loss	20	**79,677**	79,804
Total current liabilities		**887,174**	820,006
Total liabilities		**977,311**	910,904
Total equity and liabilities		**2,610,314**	2,623,132

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1 General information of the Group

AInnovation Technology Group Co., Ltd. (the "**Company**") was incorporated in the People's Republic of China (the "**PRC**") on 6 February 2018 as a limited liability company, and changed the type of enterprise from a limited liability company to a joint stock company on 19 May 2021. The address of the Company's registered office is Room 501, Block A, Haier International Plaza, No. 939 Zhenwu Road, Economic Development Zone, Jimo District, Qingdao, Shandong, PRC.

The Company and its subsidiaries (collectively, the "**Group**") mainly conduct research and development of artificial intelligence technologies and provide artificial intelligence based software and hardware technology solutions services in the PRC.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 27 January 2022.

This interim condensed consolidated financial information is presented in thousands of Renminbi ("**RMB**"), unless otherwise stated.

This interim condensed consolidated financial information has been reviewed, not audited.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard ("**IAS**") 34, "Interim financial reporting". The interim condensed consolidated financial information does not include all the notes of the type normally included in annual financial statements. Accordingly, the interim condensed consolidated financial information should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards.

3 Accounting policies information

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings for the full financial year.

(a) New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Standards and amendments	**Key requirements**	**Effective for annual periods beginning on or after**
IAS21 (Amendments)	Lack of Exchangeability	1 January 2025

(b) New and amended standards not yet adopted by the Group

The followings are new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group. These standards, amendments or interpretations, except for IFRS18 which will impact the presentation of statement of profit and loss, are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Standards and amendments	Key requirements	Effective for annual periods beginning on or after
IFRS 9 and IFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 9 and IFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026
	Annual Improvements to IFRS Accounting Standards	1 January 2026
IFRS 18 (Amendments)	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 (Amendments)	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 (Amendments) and IAS28 (Amendments)	Sale or contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

4 Segment information

The executive director of the Company has been identified as the chief operating decision-maker of the Group who reviews the Group's internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

The revenue of the Group is primarily derived from artificial intelligence products and services. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

No geographical segment information is presented as most of the revenue and operating losses of the Group are derived within the PRC and most of the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

Revenue from customers contributing over 10% of the total revenue of the Group for the six months ended 30 June 2025 and 2024 is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Customer A	*	60,424

* Less than 10%

5 Revenue

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Point in time		
– Sales of products and solutions	**616,264**	493,083
Over time		
– Sales of products and solutions	**9,873**	46,602
– Services of data solutions	**72,844**	32,019
	698,981	571,704

6 Expenses by nature

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Material costs	**267,920**	222,796
Subcontracting costs	**227,075**	179,157
Employee benefit expenses	**168,577**	207,192
Service fees	**43,854**	10,339
Amortisation of intangible assets (Note 13)	**15,945**	22,535
Depreciation of property, plant and equipment (Note 13)	**9,870**	10,387
Depreciation of right-of-use assets (Note 13)	**7,797**	12,180
Marketing expenses	**5,169**	3,242
Travelling expenses	**5,036**	7,348
Rental and property management expenses	**3,500**	3,285
Other expenses	**27,714**	23,789
	782,457	702,250

7 Other income

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Government grants	**20,817**	23,299

Government grants provided to the Group mainly related to financial assistance from the local governments in the PRC.

8 Other gains/(losses), net

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Fair value losses on financial assets and liabilities at FVTPL	**(1,522)**	(63,620)
Interests received on financial assets at FVTPL	**5,871**	4,200
Others	**233**	34
	4,582	(59,386)

9 Finance costs and income

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Finance costs:		
Interest expenses on lease liabilities	**(1,155)**	(2,154)
Interest expenses on bank borrowings	**(1,985)**	(1,667)
Total finance costs	**(3,140)**	(3,821)
Finance income:		
Interest income from bank deposits	**2,392**	7,703
Finance (cost)/income - net	**(748)**	3,882

10 Income tax credit

The amount of income tax charged to the consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current tax on profit for the period	**27**	321
Deferred income tax	**(2,449)**	(2,637)
Income tax credit	**(2,422)**	(2,316)

The Company and its subsidiaries in the PRC are subject to the PRC corporate income tax at a rate of 25% on estimated assessable profits.

A number of subsidiaries of the Group obtained or kept the status as High and New Technology Enterprises during the six months ended 30 June 2025. According to the tax incentives of the Corporate Income Tax Law of the People's Republic of China (the "**CIT Law**") for High New Tech Enterprises, these companies are subject to a reduced corporate income tax rate of 15% for three years commencing from the years when these companies are recognized as High New Tech Enterprises.

A number of subsidiaries of the Group are entitled to the preferential policy of Small and Micro-sized Enterprises, for which the applicable income tax rate is 5%.

11 Dividends

The Board does not recommend an interim dividend for the six months ended 30 June 2025 (2024: Nil).

12 Loss per share

(a) Basic loss per share

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares (excluding treasury shares) issued during the six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Loss from continuing operation attributable to the owners of the Company	**(56,156)**	(195,483)
Weighted average number of ordinary shares in issue ('000)	**535,570**	549,745
Basic loss per share (RMB)	**(0.10)**	(0.36)

(b) Diluted loss per share

As the Group incurred losses for the six months ended 30 June 2025 and 2024, the potential diluted ordinary shares related to treasury shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, the diluted loss per share for the six months ended 30 June 2025 and 2024 are the same as basic loss per share of the respective period.

13 Property, plant and equipment, right-of-use assets, intangible assets and goodwill

	Property, plant and equipment	Right-of-use assets	Intangible assets	Goodwill	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Six months ended 30 June 2025 (Unaudited)					
Opening net book amount as at 1 January 2025	**38,957**	**39,643**	**207,017**	**175,213**	**460,830**
Additions	**1,596**	**4,375**	**—**	**—**	**5,971**
Disposals	**(230)**	**(800)**	**—**	**—**	**(1,030)**
Depreciation and amortisation (Note 6)	**(9,870)**	**(7,797)**	**(15,945)**	**—**	**(33,612)**
Net book amount as at 30 June 2025	**30,453**	**35,421**	**191,072**	**175,213**	**432,159**
Six months ended 30 June 2024 (Unaudited)					
Opening net book amount as at 1 January 2024	56,600	65,594	327,031	327,385	776,610
Additions	4,697	17,980	—	—	22,677
Impairment charge	—	—	(9,934)	(9,646)	(19,580)
Disposals	(29)	(964)	—	—	(993)
Depreciation and amortisation (Note 6)	(10,387)	(12,180)	(22,535)	—	(45,102)
Net book amount as at 30 June 2024	50,881	70,430	294,562	317,739	733,612

The Group's intangible assets comprise customer relationship and technology from business combinations and other intangible assets.

14 Inventories

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Raw materials	**41,300**	40,403
Work in progress	**219,603**	117,167
Finished goods	**1,551**	598
	262,454	158,168
Less: allowance for impairment of inventories	**(1,482)**	(1,482)
	260,972	156,686

15 Trade and notes receivables

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Trade receivables	**589,964**	599,059
Less: Provision for impairment	**(167,758)**	(157,723)
	422,206	441,336
Notes receivables	**40,537**	36,577
	462,743	477,913

As at 30 June 2025 and 31 December 2024, notes receivables were bank acceptance notes mature in six months and commercial acceptance notes mature in one year.

The carrying amounts of trade and notes receivables approximate their fair values as at the balance sheet dates.

The majority of the Group's receivables are with credit term from 30 days to 180 days. As at 30 June 2025 and 31 December 2024, the aging of the trade receivables based on the recognition date of the gross trade receivables is as follows:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Trade receivables		
Less than 3 months	**235,792**	309,098
3 months to 6 months	**84,001**	56,318
6 months to 12 months	**129,854**	79,636
1 year to 2 years	**50,208**	81,539
Over 2 years	**90,109**	72,468
	589,964	599,059

16 Prepayments and other receivables

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Other receivables		
– Deposits for share repurchase	**66,795**	14,247
– Deposits	**11,899**	12,272
– Staff advances	**2,493**	2,120
– Others	**7,450**	12,584
Other receivables, gross	**88,637**	41,223
Provision for impairment	**(5,390)**	(11,192)
Other receivables, net	**83,247**	30,031
Prepayments to vendors	**71,592**	50,805
Recoverable value–added tax	**195,340**	196,662
Total	**350,179**	277,498

The carrying amounts of other receivables approximate their fair values as at the balance sheet dates.

17 Financial assets at fair value through profit or loss

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Unlisted company investment	**16,750**	—
Listed equity securities	**2,240**	2,439
Structured deposits	**30,000**	—
	48,990	2,439

The Group invested an unlisted company with amount of RMB16,750,000 in March 2025, and classified it as a financial asset measured at fair value through profit or loss due to the redemption right obtained.

18 Borrowings

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Current		
– Borrowings in relation to discounting notes receivable (i)	**2,207**	735
– Bank loans, guaranteed (ii)	**82,991**	106,000
– Bank loans, unsecured	**28,000**	21,000
	113,198	127,735

The Group's borrowings comprised:

(i) As at 30 June 2025, borrowings in relation to discounting notes receivables with aggregated amount of RMB2,207,000 represented the proceeds received from the discounting of the Group's notes receivable with recourse. As these notes receivable had not yet matured, the proceeds were recorded as borrowings.

(ii) As at 30 June 2025, the bank loans with aggregated amount of RMB82,991,000 were guaranteed by: 1) Mr. Chen Hong, to the extent of RMB27,990,000; 2) Mr. Chen Hong and Ms. Liao Lu, the non-controlling shareholder of AInnovation EHigher (Shanghai) Intelligence Technology Co., Ltd. ("**Shanghai EHigher**"), and a guarantee company, to the extent of RMB22,000,000; 3) Mr. Li Weiguo, the director and non-controlling shareholder of Qingdao Aolipu Qizhi Intelligent Industrial Technology Co., Ltd., to the extent of RMB16,000,000; 4) Mr. Chen Hong, Ms. Liao Lu, and the patent right of Shanghai EHigher, to the extent of RMB7,000,000; 5) Mr. Ma Li, the director and non-controlling shareholder of Shanghai Compass Information Technology Co., Ltd., and his spouse, to the extent of RMB7,000,000; 6) Mr. Ma Li, his spouse, and a guarantee company, to the extent of RMB3,000,000; 7) Mr. Liu Qian, the director and non-controlling shareholder of Shanghai Jiaqian Construction Engineering Co., Ltd., to the extent of RMB1,000.

For the six months ended 30 June 2025, the interest rates relating to the Group's borrowings ranged from 2.75% to 3.60% per annum (31 December 2024: 2.75% to 3.85% per annum). The borrowings of the Group are all loans denominated in RMB.

19 Trade and notes payables

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Accounts payable	**379,013**	287,006
Notes payable	**9,000**	2,698
	388,013	289,704

As at 30 June 2025 and 31 December 2024, the aging analysis of the trade and notes payables based on transaction date were as follows:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Within 3 months	**200,386**	146,321
Between 3 months and 6 months	**36,183**	36,158
Between 6 months and 1 year	**80,325**	46,541
Between 1 year and 2 years	**47,666**	37,234
Between 2 years and 3 years	**23,453**	23,450
	388,013	289,704

The carrying amounts of trade and notes payables approximate their fair values as at the balance sheet dates.

20 Financial liabilities at fair value through profit or loss

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Contingent considerations (i)	**107,730**	106,009

(i) In May 2022 and 2023, the Company entered into two and one transfer agreements respectively with the then shareholders of three companies to acquire an aggregate 51% interests in each of the three companies with fixed considerations and contingent considerations which would be adjusted according to the performance commitment. The contingent considerations represented liabilities measured at fair value, and the fair values were determined using valuation model for which not all inputs are observable and are therefore within level 3 of the fair value hierarchy. During the six months ended 30 June 2025, the change in fair value of contingent considerations amounted to approximately RMB1,721,000.

21 Contingencies

Contingent liabilities

For the six months ended 30 June 2025, due to a commercial lawsuit by one of the Group's subsidiaries, the subsidiary's bank deposits totalling RMB11,273,000 and its equity interests in two subsidiaries have been frozen. No provision in relation to the lawsuit has been recognized in the financial statements, as the lawsuit is ongoing and management considered that the outcome of the lawsuit cannot be reasonably estimated.

22 Events after the reporting period

The Group had no significant events after the reporting period and up to the date of the approval of the unaudited interim condensed consolidated financial statements.

"Audit Committee"	audit committee of the Board
"Board" or "Board of Directors"	the board of directors of our Company
"China" or "PRC"	the People's Republic of China, but for the purpose of this announcement only, do not apply to Hong Kong, the Special Administrative Region of Macau and Taiwan
"Company" or "our Company" or "the Company" or "AInnovation"	AInnovation Technology Group Co., Ltd (創新奇智科技集團股份有限公司), which was established with limited liabilities under the laws of the PRC on 6 February 2018 and converted into a joint stock limited company on 19 May 2021, whose H shares are listed on the Main Board of Stock Exchange on 27 January 2022 (stock code: 2121)
"Director(s)"	the director(s) of our Company
"Group" or "our Group" or "we" or "us"	our Company and our subsidiaries
"H Share(s)"	overseas-listed shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are to be traded in Hong Kong dollars and are listed and traded on the Stock Exchange
"HK$" or "Hong Kong Dollars"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

"RMB" or "Renminbi"	the lawful currency of the PRC
"Share(s)"	H share(s)
"Supervisor(s)"	the supervisor(s) of our Company
"Treasury Share(s)"	has the meaning ascribed to it under the Listing Rules
"%"	percent

By Order of the Board
AINNOVATION TECHNOLOGY GROUP CO., LTD
創新奇智科技集團股份有限公司
Xu Hui
Executive Director and Chief Executive Officer

Hong Kong, 22 August 2025

As at the date of this announcement, the Board of the Company comprises Mr. Xu Hui as executive Director, Dr. Kai-Fu Lee, Mr. Wang Hua and Mr. Wang Jinqiao as non-executive Directors, Mr. Xie Deren, Ms. Ko Wing Yan Samantha and Ms. Jin Keyu as independent non-executive Directors.

* *For identification purposes only*