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Black Sesame International Holding Limited

黑芝麻智能國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2533)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended June 30, 2025, together with comparative figures for the six months ended June 30, 2024. These interim results have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board and have been reviewed by PricewaterhouseCoopers, the Company’s auditor. These interim results have also been reviewed and confirmed by the Board and the Audit Committee.

KEY HIGHLIGHTS

Financial Summary

	Six months ended June 30,				Period- over- period change
	2025		2024		
	Amount	% of revenue	Amount	% of revenue	%
	<i>(RMB in thousands, except for percentages)</i>				
Revenue	252,882	100.0	180,139	100.0	40.4
Gross profit	62,697	24.8	90,075	50.0	(30.4)
(Loss)/profit for the period	(762,364)	(301.5)	1,104,767	613.3	(169.0)
Non-IFRS Measures:					
Adjusted net loss	(548,709)	(217.0)	(602,301)	(334.4)	(8.9)

* For identification purposes only

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

In the first half of 2025, the Company continued to deepen collaborations with leading customers including Geely, BYD, Dongfeng and FAW Group, and secured new designated projects of both domestic and international vehicle models for additional customers, while advancing continuous delivery and engineering R&D for related driving assistance platforms. The amount and variety of overseas designated vehicle models reached a record high in the Company's history, establishing a solid foundation for overseas deployment and sales. Additionally, leveraging its existing driving assistance chip and solution platforms, the Company has started cross-scenario technology and business transfer and achieved significant progress in fields such as robotics and unmanned logistics vehicles. Consequently, the Company has further diversified its business layout beyond its core driving assistance business.

In the first half of 2025, with rapid business expansion and increased scale of mass production and delivery, the Company achieved notable accomplishments in both commercialization progress and financial performance, and recorded operating revenue of RMB253 million for the Reporting Period, representing an increase of 40.4% compared to the corresponding period in 2024.

Commercialization

Mass Production Validation and Delivery of Driving Assistance Solutions

In the first half of 2025, the Company's Advanced Driving Assistance System (ADAS) chips continued to achieve mass production and delivery. Driving assistance solutions based on the A1000 series chips were mass-produced and shipped for models including Geely Galaxy E8, Xingyao 8, Dongfeng eπ 007 (new variant), Dongfeng eπ 008, and multiple models from other leading vehicle manufacturers. This has resulted in more mature mass production experience, laying a foundation for the capabilities of upgrading driving assistance solutions. Meanwhile, the Company achieved significant progress in securing designated projects during the first half of 2025, further diversifying its portfolio of designated vehicle models. In addition to new domestic designations, multiple designated projects targeting overseas markets from multiple customers were added. Moreover, the Company's self-developed driving assistance functionality has been advanced to deliver continuous and seamless point-to-point (P2P) navigation-assisted driving, spanning across most common road types, including highways, intercity routes, and urban areas.

The commercialization process of the driving assistance solutions based on the C1200 series chips has advanced steadily. Collaborating with ecosystem partners, the Company has developed highway Navigate on Autopilot (NoA), urban memory navigation, and memory parking functions, which have completed testing and validation in multiple cities and are poised for mass production and deployment in projects for several leading new energy vehicle customers. Additionally, in the first half of 2025, the Company launched the secure intelligence base architecture (安全智能底座架構) built on the C1200 series chips. This architecture further ensures basic safety functions while delivering flexible computing power expansion capabilities and support for modular upgrade, comprehensively covering intelligent needs from entry-level to flagship vehicle models. It is currently undergoing validation at original equipment manufacturers (OEMs).

The driving assistance solutions based on the A2000 series chips are currently under the validation of development plans, which are capable of providing comprehensive support for full-scenario urban NoA applications and scalable to L3 and L4 scenarios. The solutions incorporate Transformer-based large model algorithms, encompassing VLA and end-to-end driving functions, with the Company's self-developed mature toolchain and algorithms. Concurrently, we are closely collaborating with leading algorithm partners to jointly advance algorithm development and optimization, as well as working with Tier 1 suppliers to jointly build and validate the solutions. Our objective is to secure collaborations of designated projects and mass production with leading automaker customers within this year, promoting the implementation and business expansion of high-computing-power intelligent driving chips, and open and leading algorithm solutions.

Commercial Expansion

In terms of robotics, the Company is developing a robotics “cerebellum” solution based on its C1200 series chips to enable motor control functions for robots, and an embodied intelligence “cerebrum” solution leveraging A2000 series chips for perception and computation capabilities in intelligent robots. Currently, the Company has established strategic collaborations with leading legged robot enterprises while co-developing multimodal perception computing modules for high-dynamic environments through equity investments in robotics firms, thereby driving the expansion of the ecosystem and business for its chips and embodied intelligence solutions.

In terms of unmanned logistics vehicles, the Company has collaborated with ecosystem partners to develop an L4 intelligent driving system based on its chips and self-developed integrated laser-vision sensors. This system implements multimodal end-to-end large models to enable low-speed L4 capabilities in enclosed scenarios such as ports and industrial parks, with ongoing shipments currently underway. The Company's commercially implemented scenarios have been further diversified.

In terms of intelligent imaging solutions, while strengthening relationships with existing customers, the Company has expanded its client base by incorporating industry-leading algorithms such as AI Depth and Portrait Dynamic Fusion into its products. Simultaneously, intelligent imaging solutions initially deployed in 2024 for products in emerging forms, including AI smart glasses, have achieved commercialization with several customers, which has entered the business ecosystem of this critical emerging artificial intelligence (“AI”) platform.

R&D Initiatives

The Company maintains an open business model while remaining committed to providing customers with full-stack solutions. In offering bundled hardware-software solutions, it simultaneously supports an open ecosystem and decoupling, thereby offering greater flexibility in business models for customers.

In terms of algorithm, the Company continues to optimize its core perception architecture – the Bird’s Eye View (“**BEV**”) model – and enhance End-to-End (E2E) algorithm performance, significantly improving the precision, efficiency, and generalization capabilities of environmental perception (enabling faster adaptation to new cities and roads while reducing reliance on maps). The BEV architecture efficiently fuses multimodal sensor data, minimizes latency from multi-step processing in traditional algorithm frameworks, and boosts the operational speed, real-time responsiveness and recognition capabilities for complex intersections, non-standard vehicles, special obstacles and occluded scenarios.

In terms of core IP development, the Company has optimized toolchains for its latest AMCAX Neural Processing Unit (“**NPU**”) architecture to ensure consistent training-inference precision and hardware output stability, establishing a hybrid training solution adaptable to the diversification trend of AI hardware. Moreover, our team conducted in-depth analysis of operational efficiency for end-to-end models and large language models on multi-tier simulation platforms, tracking cutting-edge technological advancements, to develop more flexible and efficient NPU architectures. This enhances the computational throughput and processing efficiency of the NPUs, providing more reliable and extensible hardware support for AI applications.

The full-stack solution R&D approach not only drives continuous technological innovation but also reflects the Company’s commitment to maintaining an open business model, offering a flexible and open chip hardware platform alongside a comprehensive toolchain. By optimizing toolchain compatibility, the Company can support the rapid integration and deployment of diverse algorithm solutions. This ensures that customers can flexibly select the most appropriate technical pathways across different application scenarios, thereby further enhancing the extensibility and market competitiveness of the overall solutions.

BUSINESS OUTLOOK

In the second half of 2025, the Company will continue sustained deliveries of driving assistance solutions to leading customers while actively developing new strategic clients. While consolidating mass production of driving assistance solutions in China, the Company has secured designated projects for overseas vehicle models from leading customers. Multiple models equipped with its chip-based driving assistance solutions are expected to commence overseas sales in the second half of 2025, with initial shipments having already commenced. The Company is gradually expanding its business scale through the expansion of its overseas presence. Simultaneously, we anticipate securing additional designated projects for new models from leading automakers and achieving mass production in the second half of 2025.

The Company will sustain mass production in commercial vehicles, unmanned logistics vehicles and other fields, developing scenario-specific solutions for leading customers, thereby further diversifying its commercialization scenarios. The Company has essentially established in-depth cooperative development and mass production partnerships with most leading commercial vehicle customers and solution providers, covering multiple scenarios including light-duty trucks, heavy-duty trucks, and route-specific unmanned vehicles. The Company is also broadening its business development channels by engaging strategic customers for resource integration, thereby further enhancing its market share.

The Company will focus on optimizing the performance of algorithms such as Transformer and BEV in extreme urban scenarios, while continuously enhancing end-to-end model capabilities via large-scale data training and reinforced learning, to achieve navigation capability across complex urban road conditions, and pave the way for the smooth mass production and delivery of driving assistance solutions based on the A2000 series chips.

The Company has begun enhancing its chip and solution deployments in the pan-robotics field. Through deep collaborations with leading robotics enterprises, it is actively deploying product solutions such as chips and algorithms across multiple scenarios including humanoid robots, robot dog, legged robots, and robotic lawn mowers. Simultaneously, the Company is expanding into diverse robotics applications through capital operations such as equity investments. Solutions adapted for the Company's chips are currently in the development stage, with business breakthroughs and expansion underway in both domestic and international markets.

The Company plans to actively advance the acquisition of a cost-effective, low-power AI chip enterprise, aiming to achieve deep synergies between the target's products and solutions and the Company's existing mid-to-high computing power chip platforms. By leveraging its accumulated strengths in driving assistance algorithms over the years, the Company ultimately intends to deliver a broader range of robotic and on-device applications to the market, offering full-scenario AI inference chip products and solutions, thereby establishing leadership in the on-device AI chip field. The AI chip solutions co-developed by the Company and the acquisition target – spanning vehicle, robotics, and new consumer segments – are expected to achieve comprehensive coverage of AI scenarios, laying a solid foundation for the Company's future commercial scale expansion.

The following table sets forth the comparative figures for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue	252,882	180,139
Cost of sales	(190,185)	(90,064)
Gross profit	62,697	90,075
Selling expenses	(51,510)	(51,152)
General and administrative expenses	(170,106)	(182,529)
Research and development expenses	(618,130)	(687,330)
Net impairment losses on financial assets	(11,445)	(13,979)
Other income	7,397	8,162
Other gains/(losses) – net	9,803	(3,347)
Operating loss	(771,294)	(840,100)
Finance income	27,439	19,018
Finance costs	(17,099)	(3,350)
Finance income, net	10,340	15,668
Share of net loss of associates accounted for using the equity method	(1,410)	(2,593)
Fair value change in financial instruments issued to investors	–	1,931,792
(Loss)/profit before income tax	(762,364)	1,104,767
Income tax expense	–	–
(Loss)/profit for the period attributable to the equity holders of the Company	(762,364)	1,104,767
Non-IFRS Measures		
Adjusted net loss	(548,709)	(602,301)

Revenue

Our revenue increased by 40.4% from RMB180.1 million for the six months ended June 30, 2024 to RMB252.9 million for the six months ended June 30, 2025, primarily attributable to the increase in the sales of driving assistance products and solutions.

Driving Assistance Products and Solutions

Our revenue from assisted driving products and solutions increased by 41.6% from RMB167.3 million for the six months ended June 30, 2024 to RMB236.8 million for the six months ended June 30, 2025, primarily attributable to (i) an increase in the sale of driving assistance chips and solutions along with the raise in mass-produced vehicle models; (ii) our enhanced market penetration of driving assistance solutions in the field of commercial vehicles; and (iii) our strengthened marketing capabilities which resulted in more customers with large operating scale.

Intelligent Imaging Solutions

Our revenue from intelligent imaging solutions increased by 25.1% from RMB12.9 million for the six months ended June 30, 2024 to RMB16.1 million for the six months ended June 30, 2025, primarily because we attracted more new customers as a result of the market recognition received by our intelligent imaging solutions.

Cost of Sales

Our cost of sales increased by 111.2% from RMB90.1 million for the six months ended June 30, 2024 to RMB190.2 million for the six months ended June 30, 2025, primarily due to the increase in the cost of sales for driving assistance products and solutions.

Driving Assistance Products and Solutions

The cost of sales for driving assistance products and solutions increased by 112.1% from RMB88.3 million for the six months ended June 30, 2024 to RMB187.4 million for the six months ended June 30, 2025, primarily representing the increase in the costs relating to hardware components and labour costs.

Intelligent Imaging Solutions

The cost of sales for intelligent imaging solutions increased by 64.0% from RMB1.7 million for the six months ended June 30, 2024 to RMB2.8 million for the six months ended June 30, 2025, which was generally in line with the increase in revenue from intelligent imaging solutions.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our overall gross profit decreased by 30.4% from RMB90.1 million for the six months ended June 30, 2024 to RMB62.7 million for the six months ended June 30, 2025. Our gross profit margin for driving assistance products and solutions decreased from 47.2% for the six months ended June 30, 2024 to 20.9% for the six months ended June 30, 2025, as the expansion of the application scenarios of our driving assistance products and solutions resulted in an increase in costs relating to hardware components and labour costs. Our gross profit margin for intelligent imaging solutions business remained relatively stable at 86.6% for the six months ended June 30, 2024 and 82.4% for the six months ended June 30, 2025. As a result of the foregoing, our overall gross profit margin decreased from 50.0% for the six months ended June 30, 2024 to 24.8% for the six months ended June 30, 2025.

Research and Development Expenses

Our research and development expenses decreased by 10.1% from RMB687.3 million for the six months ended June 30, 2024 to RMB618.1 million for the six months ended June 30, 2025, primarily because of our enhanced efficiency in research and development activities which resulted in a decrease in staff costs.

Selling Expenses

Our selling expenses remained relatively stable at RMB51.2 million and RMB51.5 million for the six months ended June 30, 2024 and 2025, respectively.

General and Administrative Expenses

Our general and administrative expenses decreased by 6.8% from RMB182.5 million for the six months ended June 30, 2024 to RMB170.1 million for the six months ended June 30, 2025, primarily due to a decrease in our Listing expenses.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets amounted to RMB14.0 million and RMB11.4 million for the six months ended June 30, 2024 and 2025, respectively.

Other Income

Our other income remained relatively stable at RMB8.2 million and RMB7.4 million for the six months ended June 30, 2024 and 2025, respectively.

Other Gains/(Losses) – Net

We recorded other losses of RMB3.3 million for the six months ended June 30, 2024, while we had other gains of RMB9.8 million for the six months ended June 30, 2025, primarily attributable to an increase in the foreign exchange gains due to fluctuations in exchange rate and gains on debt restructuring.

Finance Income – Net

Our finance income decreased by 34.0% from RMB15.7 million for the six months ended June 30, 2024 to RMB10.3 million for the six months ended June 30, 2025, primarily due to an increase in interest expenses on bank borrowings.

Fair Value Change in Financial Instruments Issued to Investors

We recorded fair value gain of RMB1,931.8 million for the six months ended June 30, 2024, while we did not have fair value change in financial instruments issued to investors for the six months ended June 30, 2025, primarily due to the conversion of our preferred shares into ordinary shares upon the Listing.

Loss for the Period

As a result of the foregoing, we recorded net profit of RMB1,104.8 million for the six months ended June 30, 2024 while we had net loss of RMB762.4 million for the six months ended June 30, 2025.

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items.

We believe adjusted net loss (non-IFRS measure) provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

The following tables reconcile our adjusted net loss for the periods presented to the most directly comparable financial measures calculated and presented in accordance with IFRS, which are net (loss)/profit for the period:

	Six Months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Reconciliation of net (loss)/profit to adjusted net loss		
(non-IFRS measure):		
(Loss)/profit for the period	(762,364)	1,104,767
Add:		
Fair value change in financial instruments issued to investors	–	(1,931,792)
Share-based compensation expenses	213,655	224,724
	<hr/>	<hr/>
Adjusted net loss for the period (non-IFRS measure)	(548,709)	(602,301)
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LIQUIDITY AND FINANCIAL RESOURCES

We have historically funded our cash requirements principally from capital contribution from Shareholders. We had cash and cash equivalents and current financial assets at fair value through profit or loss of RMB2,105.1 million as of June 30, 2025, compared to the balance of RMB1,622.9 million as of December 31, 2024.

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

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(538,176)	(559,149)
Net cash used in investing activities	(44,482)	(30,250)
Net cash generated from financing activities	1,105,390	205,175
Net increase/(decrease) in cash and cash equivalents	522,732	(384,224)
Cash and cash equivalents at the beginning of the period	1,448,106	1,298,412
Effects of exchange rate changes on cash and cash equivalents	(4,346)	5,769
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	1,966,492	919,957
	<hr/>	<hr/>

Indebtedness

Our indebtedness mainly includes borrowings, financial instruments issued to investors and lease liabilities. The following table sets forth a breakdown of our borrowings, financial instruments issued to investors and lease liabilities as of the dates indicated:

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Borrowings	637,483	674,212
Lease liabilities	41,698	48,187
Amounts due to a related party	65	213
Total	679,246	722,612

We maintain a prudent approach in our treasury management with interest rate exposure maintained principally on a floating rate basis. We did not use any interest rate swap contracts or other financial instruments to hedge against our interest rate risk. We will continue to monitor interest rate risk exposure and will consider hedging significant interest rate risk exposure should the need arises.

Exposure to Exchange Rate Fluctuation

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Group's businesses are principally conducted in RMB. The majority of non-RMB assets and liabilities are cash and cash equivalents denominated in USD.

We are primarily exposed to changes in RMB/USD exchange rates in our domestic subsidiaries whose functional currency is RMB. We currently do not engage in hedging activities designed or intended to manage foreign exchange rate risk. However, we will continue to monitor changes in currency exchange rates and will take necessary measures to mitigate exchange rate impact.

Employees, Training and Remuneration Policies

As of June 30, 2025, the Group had 1,000 employees. The number of employees employed by the Group varies from time to time depending on needs.

Our success depends on our ability to attract, retain and motivate qualified personnel. The remuneration package for our employees generally includes salary, bonuses and equity incentives. We have a unified salary management system and employee internal transfer management methods to ensure the fairness of salary and promotion, and the salary and promotion decisions stipulated in the system are based on the employee's position and performance. In addition to salary, employees also receive welfare benefits, including medical insurance, retirement benefits, occupational injury insurance and other miscellaneous items. We make contributions to mandatory social security funds for our employees to provide for retirement, medical, work-related injury, maternity and unemployment benefits. We also invest in continuing education and training programs to upskill our key management and technical staff.

The Company has also adopted a pre-IPO share plan on September 7, 2016 and amended on December 31, 2021 and a post-IPO share plan on July 26, 2024 to provide incentives for the eligible participants. For details, please refer to the section headed "Statutory and General Information – D. Share Incentive Schemes" in Appendix IV to the Prospectus.

The Board regularly reviews and determines the remuneration and compensation packages of the Directors and senior management and receives recommendation from the Remuneration Committee, which takes into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

Use of Proceeds from the Global Offering

With the shares of the Company listed on the Stock Exchange on August 8, 2024, the net proceeds from the Global Offering were approximately HK\$950.8 million after deducting underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering, which will be utilized for the purposes as set out in the Prospectus. Please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus for details of the intended use of proceeds.

During the Reporting Period, approximately HK\$227.9 million of the net proceeds from the Global Offering had been utilized by the Group in accordance with the intended purposes stated in the Prospectus. As of the date of this announcement, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above, we will only deposit the unused net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions).

Details of the use of proceeds and the expected timeline for utilization of the unutilized net proceeds are set out below:

Intended purposes as set out in the Prospectus	Planned proportion of the net proceeds	Planned use of the net proceeds (Approximately HK\$ million)	Net proceeds unused as of January 1, 2025 (Approximately HK\$ million)	Actual use of net proceeds during the Reporting Period (Approximately HK\$ million)	Net proceeds unused as of June 30, 2025 (Approximately HK\$ million)	Expected timeline for fully utilising the net proceeds from the Global Offering ⁽¹⁾
(i) Research and development	80.0	760.6	416.5	144.0	272.5	Fully utilized within 2025
• Development of intelligent vehicle SoCs	30.0	285.2	171.8	43.8	128.0	Fully utilized within 2025
• Procurement of materials, tapeout services and software, for R&D of intelligent vehicle SoCs and automotive-grade IP cores	20.0	190.2	81.2	26.3	54.9	Fully utilized within 2025
• Development and upgrade of support software for intelligent vehicles	25.0	237.7	121.1	55.8	65.3	Fully utilized within 2025
• Development of driving assistance solutions	5.0	47.5	42.4	18.1	24.3	2025: 70% utilized, 2026: 30% utilized
(ii) Improvement of commercialization capability	10.0	95.1	68.5	43.9	24.6	Fully utilized within 2025
(iii) Working capital and general corporate purposes	10.0	95.1	75.8	40.0	35.8	Fully utilized within 2025
Total	100.0	950.8	560.8	227.9	332.9	

Use of Proceeds from Placing of Shares under General Mandate

On February 19, 2025, the Company entered into a placing agreement (the “**Placing Agreement**”) with China International Capital Corporation Hong Kong Securities Limited and Huatai Financial Holdings (Hong Kong) Limited in relation to the placing of 53,650,000 new Shares (the “**Placing Shares**”) at HK\$23.20 per Placing Share (the “**Placing Price**”) to no less than six placees who and whose ultimate beneficial owner(s) (where applicable) are independent third parties (the “**Placing**”). All the conditions set out in the Placing Agreement were fulfilled and the Placing was completed on February 26, 2025, where a total of 53,650,000 Placing Shares (with an aggregate nominal value of US\$5,365), representing (i) approximately 9.33% of the number of issued Shares immediately before the completion of the Placing; and (ii) approximately 8.53% of the number of issued Shares as enlarged by the allotment and issue of the Placing Shares, have been successfully placed to no less than six placees at the Placing Price of HK\$23.20 pursuant to the terms and conditions of the Placing Agreement. For details, please refer to the announcements of the Company dated February 19, 2025 and February 26, 2025, respectively.

The net proceeds from the Placing, after deducting the Placing commission and other relevant costs and expenses of the Placing, amounted to approximately HK\$1,237.4 million (representing a net issue price of approximately HK\$23.06 per Placing Share). During the Reporting Period, approximately HK\$309.9 million of the net proceeds from the Placing had been utilized by the Group. Unused net proceeds were held by way of deposits in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). Details of the use of proceeds and the expected timeline for utilisation of the unutilised net proceeds from the Placing are set out below:

Intended purposes of placing net proceeds	Planned proportion of the net proceeds	Planned use of the net proceeds	Actual use of net proceeds during the Reporting Period	Net proceeds unused as of June 30, 2025	Expected timeline for fully utilising the net proceeds from the Placing ⁽¹⁾
	(%)	(Approximately HK\$ million)	(Approximately HK\$ million)	(Approximately HK\$ million)	
(i) Research and development over core technologies	30.0	371.2	115.7	255.5	
• Development of next generation of intelligent vehicle SoCs	20.0	247.5	87.6	159.9	2025: 50% utilized 2026: 50% utilized
• Development of driving assistance solutions	10.0	123.7	28.1	95.6	2025: 50% utilized 2026: 50% utilized
(ii) Research and development over cutting-edge technologies	25.0	309.4	69.2	240.2	
• Development of core IP	20.0	247.5	53.0	194.5	2025: 40% utilized 2026: 60% utilized
• Development of robotics technologies	5.0	61.9	16.2	45.7	2025: 40% utilized 2026: 60% utilized
(iii) Improvement of the Group's commercialization capability	27.0	334.1	69.0	265.1	
• Enhancement of delivery capabilities of products and solutions	17.0	210.4	43.9	166.5	2025: 50% utilized 2026: 50% utilized
• Expansion of sales team	10.0	123.7	25.1	98.6	2025: 50% utilized 2026: 50% utilized
(iv) Selectively making strategic investments	8.0	99.0	35.0	64.0	2025: 50% utilized 2026: 50% utilized
(v) General working capital purposes	10.0	123.7	21.0	102.7	2025: 50% utilized 2026: 50% utilized
Total	100.0	1,237.4	309.9	927.5	

Note:

- (1) The expected timeline to use the remaining proceeds is prepared based on the best estimate made by the Group, which is subject to change according to the current and future development of the market condition.

Gearing Ratio

Our gearing ratio, being borrowings divided by total equity and multiplied by 100%, was 61.7% as of December 31, 2024 and 37.5% as of June 30, 2025.

Contingent Liabilities

As of June 30, 2025, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that was likely to have a material and adverse effect on our business, financial condition or results of operations.

Significant Investments Held

As of June 30, 2025, we did not hold any significant investments in the equity interest of other companies.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Pledge of Assets

As of June 30, 2025, we did not pledge any of our assets.

Future Plans for Material Investments and Capital Assets

On June 18, 2025, the Company entered into a non-legally binding letter of intent with a target company established in the People's Republic of China (the "**Target Company**") and certain management shareholders of the Target Company, pursuant to which the Group intends to acquire the Target Company through acquisition of equity interests in the Target Company and capital contribution to the Target Company (the "**Possible Acquisition**"). Please refer to the announcements of the Company dated June 18, 2025 and August 22, 2025 for details of the Possible Acquisition.

Save as disclosed in the announcements and the Prospectus, the Group had no specific future plan for material investments and acquisition of capital assets during the Reporting Period and up to the date of this announcement. The Group will continue to identify new investment opportunities in companies with principal businesses related to the Group's core business with a view to create synergies with the Group's existing core business and improve the Group's service and products to its customers.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS)/INCOME

		Six months ended June 30,	
	Note	2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3	252,882	180,139
Cost of sales	4	<u>(190,185)</u>	<u>(90,064)</u>
Gross profit		62,697	90,075
Selling expenses	4	(51,510)	(51,152)
General and administrative expenses	4	(170,106)	(182,529)
Research and development expenses	4	(618,130)	(687,330)
Net impairment losses on financial assets		(11,445)	(13,979)
Other income		7,397	8,162
Other gains/(losses) – net		<u>9,803</u>	<u>(3,347)</u>
Operating loss		(771,294)	(840,100)
Finance income		27,439	19,018
Finance costs		<u>(17,099)</u>	<u>(3,350)</u>
Finance income, net		10,340	15,668
Share of net loss of associates accounted for using the equity method		(1,410)	(2,593)
Fair value change in financial instruments issued to investors	8	<u>–</u>	<u>1,931,792</u>
(Loss)/profit before income tax		<u>(762,364)</u>	<u>1,104,767</u>
Income tax expense	5	<u>–</u>	<u>–</u>
(Loss)/profit for the period attributable to the equity holders of the Company		<u>(762,364)</u>	<u>1,104,767</u>

		Six months ended June 30,	
	<i>Note</i>	2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Other comprehensive (loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Fair value changes of redeemable convertible preferred shares (“ Preferred Shares ”) due to own credit risk	8	–	2,821
Change in foreign currency translation of the financial statements of the Company		(17,110)	(35,110)
<i>Items that may be subsequently reclassified to profit or loss</i>			
Change in foreign currency translation of the financial statements of the subsidiaries of the Company		<u>6,633</u>	<u>(28,796)</u>
Other comprehensive loss		<u>(10,477)</u>	<u>(61,085)</u>
Total comprehensive (loss)/income for the period attributable to the equity holders of the Company		<u>(772,841)</u>	<u>1,043,682</u>
(Loss)/earnings per share for (loss)/profit attributable to the equity holders of the Company (in RMB)			
Basic	6	(1.3)	15.1
Diluted	6	<u>(1.3)</u>	<u>(1.7)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		79,235	79,799
Right-of-use assets		38,103	48,372
Intangible assets		24,620	39,065
Investments accounted for using the equity method		13,441	14,851
Prepayments and other receivables		19,954	13,131
Financial assets at fair value through profit or loss ("FVPL")		21,015	21,102
Total non-current assets		196,368	216,320
Current assets			
Inventories		46,771	68,484
Trade and notes receivables	7	315,004	258,067
Prepayments and other receivables		167,504	151,454
Financial assets at FVPL		138,591	174,804
Cash and cash equivalents		1,966,492	1,448,106
Total current assets		2,634,362	2,100,915
Total assets		2,830,730	2,317,235
LIABILITIES			
Non-current liabilities			
Borrowings		–	201,360
Lease liabilities		23,471	32,788
Other payables and accruals		30,877	39,149
Total non-current liabilities		54,348	273,297

		As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
	<i>Note</i>		
Current liabilities			
Trade payables	9	132,952	117,293
Contract liabilities		3,576	440
Borrowings		637,483	472,852
Lease liabilities		18,227	15,399
Other payables and accruals		283,819	344,739
Total current liabilities		1,076,057	950,723
Total liabilities		1,130,405	1,224,020
EQUITY			
Equity attributable to owners of the Company			
Share capital		447	401
Other equity		(17)	(17)
Reserves		13,630,440	12,261,012
Accumulated losses		(11,930,545)	(11,168,181)
Total equity		1,700,325	1,093,215
Total equity and liabilities		2,830,730	2,317,235

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Note</i>	Attributable to equity holders of the Company				Total <i>RMB'000</i>
	Share capital <i>RMB'000</i>	Other equity <i>RMB'000</i>	Reserves <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	
(Unaudited)					
As at January 1, 2025	<u>401</u>	<u>(17)</u>	<u>12,261,012</u>	<u>(11,168,181)</u>	<u>1,093,215</u>
Comprehensive loss					
Loss for the period	–	–	–	(762,364)	(762,364)
Foreign currency translation	<u>–</u>	<u>–</u>	<u>(10,477)</u>	<u>–</u>	<u>(10,477)</u>
Total comprehensive loss for the period	<u>–</u>	<u>–</u>	<u>(10,477)</u>	<u>(762,364)</u>	<u>(772,841)</u>
Transactions with owners in their capacity as owners					
Share-based compensation expenses	–	–	213,655	–	213,655
Issuance of ordinary shares relating to placing, net of other issuance costs	39	–	1,142,100	–	1,142,139
Exercise of share options	<u>7</u>	<u>–</u>	<u>24,150</u>	<u>–</u>	<u>24,157</u>
Total transactions with owners in their capacity as owners for the period	<u>46</u>	<u>–</u>	<u>1,379,905</u>	<u>–</u>	<u>1,379,951</u>
As at June 30, 2025	<u>447</u>	<u>(17)</u>	<u>13,630,440</u>	<u>(11,930,545)</u>	<u>1,700,325</u>

	Attributable to equity holders of the Company				
	Share capital RMB'000	Other equity RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
<i>Note</i>					
(Unaudited)					
As at January 1, 2024	<u>46</u>	<u>–</u>	<u>353,580</u>	<u>(11,447,242)</u>	<u>(11,093,616)</u>
Comprehensive income					
Profit for the period	–	–	–	1,104,767	1,104,767
Foreign currency translation	–	–	(63,906)	–	(63,906)
Fair value change on redeemable convertible preferred shares due to own credit risk	<u>–</u>	<u>–</u>	<u>2,821</u>	<u>–</u>	<u>2,821</u>
Total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>(61,085)</u>	<u>1,104,767</u>	<u>1,043,682</u>
Transactions with owners in their capacity as owners					
Share-based compensation expenses	–	–	224,724	–	224,724
Issuance of ordinary shares to employee share scheme trusts	17	(17)	–	–	–
Exercise of share options	<u>16</u>	<u>–</u>	<u>17,488</u>	<u>–</u>	<u>17,504</u>
Total transactions with owners in their capacity as owners for the period	<u>33</u>	<u>(17)</u>	<u>242,212</u>	<u>–</u>	<u>242,228</u>
As at June 30, 2024	<u>79</u>	<u>(17)</u>	<u>534,707</u>	<u>(10,342,475)</u>	<u>(9,807,706)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended June 30,	
	2025	2024
<i>Note</i>	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash used in operations	(565,393)	(577,900)
Interest received from cash at banks	27,217	18,751
	<u>(538,176)</u>	<u>(559,149)</u>
Cash flows from investing activities		
Payments of property, plant and equipment	(25,997)	(23,435)
Payments for intangible assets	(19,391)	(15,138)
Loans to a relate party	(35,000)	–
Payments for financial assets at FVPL	(35,848)	–
Proceeds from maturity of financial assets at FVPL	71,754	8,323
	<u>(44,482)</u>	<u>(30,250)</u>
Cash flows from financing activities		
Issuance of ordinary shares relating to placing, net of other issuance costs	1,142,139	–
Proceeds from borrowings	110,000	234,677
Repayment of borrowings	(150,000)	–
Interests paid for borrowings	(11,283)	(659)
Payment for financing transaction costs	–	(23,600)
Principal payments of lease liabilities	(7,075)	(10,161)
Interest paid for lease liabilities	(1,156)	(1,509)
Payments for listing expenses	(1,392)	(758)
Proceeds from exercise of stock options	24,157	7,185
	<u>1,105,390</u>	<u>205,175</u>
Net cash generated from financing activities		
	<u>1,105,390</u>	<u>205,175</u>
Net increase/(decrease) in cash and cash equivalents	522,732	(384,224)
Cash and cash equivalents at beginning of period	1,448,106	1,298,412
Exchange (losses)/gains on cash and cash equivalents	(4,346)	5,769
	<u>1,966,492</u>	<u>919,957</u>
Cash and cash equivalents at end of period		
	<u>1,966,492</u>	<u>919,957</u>

NOTES TO THE FINANCIAL INFORMATION

1 GENERAL INFORMATION

Black Sesame International Holding Limited (the “**Company**”) was incorporated in the Cayman Islands on July 15, 2016 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”), primarily provide driving assistance system on chip (“**SoC**”) and SoC-based solutions and focus on developing automotive-grade driving assistance SoCs.

The Company completed the initial public offering (“**IPO**”) and had its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) on August 8, 2024.

This condensed consolidated interim financial information is presented in Renminbi (“**RMB**”), rounded to the nearest thousand, unless otherwise stated.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

This condensed consolidated interim financial information for the six months ended June 30, 2025 has been prepared in accordance with International Accounting Standard 34 “*Interim Financial Reporting*”.

This condensed consolidated interim financial information does not include all the notes normally included in an annual financial report. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual report for the year ended December 31, 2024 and any public announcements made by Black Sesame International Holding Limited during the Reporting Period.

The Group is in the development phase and has been incurring losses from operations since incorporation. For the six months ended June 30, 2025, the Group incurred operating losses of RMB771,294 thousand and the Group’s net cash used in operating activities was RMB538,176 thousand, attributable primarily to significant research and development (“**R&D**”) expenditures. As at June 30, 2025, the Group has cash and cash equivalents of RMB1,966,492 thousand and borrowings of RMB637,483 thousand. The Group’s ability to continue as a going concern is primarily dependent on the ability to generate adequate cash flows from business operations and to raise external equity and debt financing to fund its continuous operations. Taking into account the financing proceeds obtained from the Placing, the directors of the Company believe that the Group’s cash and cash equivalents and funding from financing are sufficient to fund its operating expenses and capital expenditure requirements and meet its payment obligations for the next twelve months from June 30, 2025. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

2.2 Accounting policies

The accounting policies and methods of computations used in the preparation of the interim condensed consolidated financial information are consistent with those of the annual consolidated financial statements of the Group for the year ended December 31, 2024, except for the adoption of new and amended IFRS effective for the financial period beginning on January 1, 2025.

New and amended standards adopted by the Group

A number of new and revised IFRSs became applicable for the current Reporting Period. For the purpose of preparing this condensed consolidated interim financial information, the Group has adopted all applicable new and revised IFRSs except for any new standards or interpretation that are not yet effective for the Reporting Period ended June 30, 2025.

These amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New standards, amendments to standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the current Reporting Period and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

IFRS 9 and IFRS 7 (Amendment) ‘Amendments to the Classification and Measurement of Financial Instruments’	January 1, 2026
IFRS 18 ‘Presentation and Disclosure in Financial Statements’	January 1, 2027
IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’	January 1, 2027
IFRS 10 (Amendment) and IAS 28 (Amendment) ‘Sale or contribution of Assets between an Investor and its Associate or Joint Venture’	To be determined

As of the date of approval of this interim financial information, the Group is still in the process of assessing the effects of adopting these new standards and amendments to standards and has not identified any significant effect on its financial statements. The Group will continue to assess the effects of these new and amended standards.

3 REVENUE

(a) Disaggregation of revenue from contracts with customers

Revenue for the six months ended June 30, 2025 and 2024 are as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from customers and recognised at point in time		
Driving Assistance Products and Solutions	236,785	167,271
Intelligent Imaging Solutions	16,097	12,868
	252,882	180,139

(b) Assets recognised from costs to fulfil a contract

The Group recognised assets in relation to costs to fulfil its provision of services contracts. This is presented within “Prepayments and other receivables” in the condensed consolidated statements of financial position.

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Beginning balance	–	1,083
Addition	741	609
Recognised as cost of sales	–	(377)
Ending balance	741	1,315

(c) Contract liabilities

During the six months ended June 30, 2025 and 2024, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liability balance were primarily due to the recognition of revenues upon fulfilment of performance obligations.

The following table shows how much of the revenue recognised during the six months ended June 30, 2025 and 2024 is included in the contract liabilities:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue recognised that was included in the contract liability balance at the beginning of the period	440	2,818

4 EXPENSES BY NATURE

The detailed analysis of cost of sales, selling expenses, general and administrative expenses, and research and development expenses are as follow:

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Employee benefits expenses	569,808	634,819
Design and development expenses	173,121	150,974
Intellectual property (“IP”) license expenses	59	9,086
Raw materials and consumables used	166,331	111,215
Changes in inventories of work in progress and finished goods	12,365	(22,580)
Provision/(reversal) for impairment of inventories	9,348	(118)
Depreciation of property, plant and equipment	26,603	25,036
Amortization of intangible assets	14,530	20,053
Depreciation of right-of-use assets	9,882	11,013
Outsourcing labor costs	8,545	21,820
Office and travelling expenses	18,351	19,367
Listing expenses	–	9,044
Marketing expenses	9,371	7,879
Legal, consulting and other professional fees	5,676	7,529
Short-term lease expenses	2,794	3,626
Others	3,147	2,312
	<hr/>	<hr/>
Total cost of sales, selling expenses, general and administrative expenses, and research and development expenses	1,029,931	1,011,075

5 INCOME TAX EXPENSE

Income tax expense is recognised based on management’s estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to June 30, 2025 is 0% (for the year to June 30, 2024: 0%).

6 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to the equity holders of the Company (RMB'000)	(762,364)	1,104,767
Weighted average number of ordinary shares outstanding (thousand shares)	588,209	73,369
	<hr/>	<hr/>
Basic (loss)/earnings per share (expressed in RMB per share)	(1.3)	15.1

(b) Diluted loss per share

The calculation of the diluted loss per share is based on the (loss)/profit attributable to equity holders of the Company, adjusted to reflect the impact from any dilutive potential ordinary shares that would have been outstanding, as appropriate. The weighted average number of ordinary shares used in calculating diluted loss per share is the weighted average number of ordinary shares, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

For the six months ended June 30, 2024, the Group has two categories of potential ordinary shares, namely redeemable convertible preferred shares of the Company and share options with vesting schedule granted to the employees. Share options with vesting schedule granted to the employees were anti-dilutive for the six months ended June 30, 2024.

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to the equity holders of the Company	(762,364)	1,104,767
Adjustment for fair value change of the Company's redeemable convertible preferred shares through profit or loss	<u>–</u>	<u>(1,931,792)</u>
Net loss attributable to the equity holders of the Company	<u>(762,364)</u>	<u>(827,025)</u>
Weighted average number of shares (thousand shares):		
Weighted average number of ordinary shares outstanding (thousand shares)	588,209	73,369
Adjustment for redeemable convertible preferred shares of the Company	<u>–</u>	<u>414,293</u>
Weighted average number of shares for calculation of diluted loss per share	<u>588,209</u>	<u>487,662</u>
Diluted loss per share (expressed in RMB per share)	<u>(1.3)</u>	<u>(1.7)</u>

7 TRADE AND NOTES RECEIVABLE

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Trade and notes receivables	375,024	306,181
Less: provision for impairment	(61,075)	(49,629)
	313,949	256,552
Notes receivables	1,055	1,515
	315,004	258,067

The Group usually grants a credit period of 30 days to 180 days to its customers. As at June 30, 2025 and December 31, 2024, the aging analysis of trade and notes receivables based on recognition date of gross trade and notes receivables are as follows:

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Up to 3 months	236,257	176,876
3 to 6 months	512	1,981
6 to 9 months	20,214	1,349
9 to 12 months	115	—
over 12 months	118,981	127,490
	376,079	307,696

The majority of the Group's trade and notes receivables were denominated in RMB.

8 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS

Redeemable convertible preferred shares

Since the date of incorporation, the Company has completed several rounds of financing by issuing Preferred Shares to investors.

The Company completed the IPO on August 8, 2024 and the Preferred Shares were automatically converted to ordinary shares of the Company upon the successful listing of the shares of the Company.

The movements of the Preferred Shares during the six months ended June 30, 2024 are set out as below:

	<i>RMB'000</i>
(Unaudited)	
At January 1, 2024	12,589,493
Change in fair value through profit or loss	(1,931,792)
Change in fair value due to own credit risk	(2,821)
Currency translation differences	72,044
	<hr/>
At June 30, 2024	10,726,924
	<hr/>

9 TRADE PAYABLES

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

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Up to 6 months	125,349	86,945
6 to 12 months	309	2,053
over 12 months	7,294	28,295
	<hr/>	<hr/>
	132,952	117,293
	<hr/>	<hr/>

10 DIVIDEND

No dividend has been paid or declared by the Company or subsidiaries of the Company during the six months ended June 30, 2025 and 2024 and up to date of this announcement.

OTHER INFORMATION

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including any sale of treasury shares). The Company did not have any treasury shares as defined under the Listing Rules as of June 30, 2025.

Events after the Reporting Period

Save as otherwise disclosed in this announcement, there was no other significant events that may affect the Group since the end of the Reporting Period and up to the date of this announcement.

Corporate Governance Practices

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of the Shareholders. The principles of the Company's corporate governance are to promote effective internal control measures, to enhance transparency of the work of the Board, and to strengthen accountability to all the Shareholders.

The Company has adopted the Corporate Governance Code as its own code of corporate governance. Save as disclosed below, the Company has complied with all applicable code provisions set out in the Corporate Governance Code throughout the Reporting Period.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman of the Board and the chief executive officer should be separate and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Mr. Shan currently performs these two roles. The Board believes that vesting the roles of both chairman of the Board and the chief executive officer in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning for the Group, and (iii) facilitating the flow of information between management and the Board. The Board currently comprises three executive Directors (including Mr. Shan), one non-executive Director and three independent non-executive Directors, and therefore has a strong independent element in its composition. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices of the Company.

Interim Dividend

The Board has resolved not to declare an interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: Nil).

Model Code for Securities Transactions by Directors

The Board has adopted the Model Code as its own code of conduct regulating dealings in securities of the Company by the Directors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to Company's securities. In response to specific enquiries made by the Board, all Directors confirmed that they have complied with the provisions of the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Company during the Reporting Period.

Audit Committee

The Audit Committee (comprising three independent non-executive Directors, Prof. Li Qingyuan (being the chairperson of the Audit Committee), Prof. Long Wenmao and Prof. Xu Ming), together with senior management members and the Auditor, has considered and reviewed the unaudited interim financial information of the Group for the Reporting Period, discussed matters in relation to the accounting policies and practices adopted by the Company, risk management, internal control and financial reporting and is of the view that these interim results have been prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

Publication of the Interim Results and the 2025 Interim Report

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.blacksesame.com. The 2025 interim report of the Company containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company.

DEFINITIONS AND GLOSSARY

In this announcement, unless the context otherwise requires, the following expression shall have the meanings set out below:

“Audit Committee”	the audit committee of the Company
“Auditor”	PricewaterhouseCoopers, the independent auditor of the Company
“Board”	the board of Directors of the Company

“China”, “Mainland China” or “PRC”	the People’s Republic of China, which, for the purpose of this interim results announcement and for geographical reference only, references to “China”, “Mainland China” and the “PRC” do not apply to Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC, except where the context indicates or requires otherwise
“Company” or “our Company”	Black Sesame International Holding Limited, an exempted company incorporated under the laws of Cayman Islands with limited liability
“Corporate Governance Code”	the Corporate Governance Code, as set out in Appendix C1 to the Listing Rules
“Director(s)”	director(s) of the Company or any one of them
“Global Offering”	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
“Group”, “our Group”, “our”, “we”, or “us”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“IPO”	initial public offering
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“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)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 of the Listing Rules
“Mr. Shan”	Mr. Shan Jizhang (單記章), one of the Group’s founders, chairman of the Board, an executive Director and the chief executive officer of the Company
“Prospectus”	the prospectus of the Company dated July 31, 2024

“Reporting Period”	the six months ended June 30, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Share(s)”	the ordinary share(s) with nominal value of US\$0.0001 each in the share capital of our Company
“Shareholder(s)”	the holder(s) of Share(s)
“SoC”	system-on-chips, an integrated circuit that integrates most or all components of a computer or other electronic system
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$” or “USD”	United States Dollars, the lawful currency of the United States
“%”	per cent

By order of the Board
Black Sesame International Holding Limited
Mr. SHAN Jizhang
*Chairman of the Board, Executive Director
and Chief Executive Officer*

Hong Kong, August 29, 2025

As at the date of this announcement, the Board comprises (i) Mr. SHAN Jizhang, Mr. LIU Weihong and Mr. ZENG Daibing as executive directors; (ii) Dr. YANG Lei as non-executive director; and (iii) Prof. LI Qingyuan, Prof. LONG Wenmao and Prof. XU Ming as independent non-executive directors.