商汤
sensetime

SenseTime Group Inc.
商汤集团股份有限公司

(a company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

HKEX: 0020 (HKD Counter) 80020 (RMB Counter)

INTERIM REPORT
2025

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. XU Li (徐立) *(Executive Chairman of the Board)*
Dr. WANG Xiaogang (王曉剛)
Dr. LIN Dahua (林達華)
Mr. YANG Fan (楊帆) *(appointed on June 26, 2025)*
Mr. WANG Zheng (王征) *(appointed on June 26, 2025)*

Non-executive Director

Ms. FAN Yuanyuan (范瑗瑗)

Independent non-executive Directors

Prof. XUE Lan (薛瀾)
Mr. LYN Frank Yee Chon (林怡仲)
Mr. CHIU Duncan (邱達根) *(appointed on May 30, 2025)*

AUDIT COMMITTEE

Mr. LYN Frank Yee Chon (林怡仲) *(Chairperson)*
Ms. FAN Yuanyuan (范瑗瑗)
Mr. CHIU Duncan (邱達根)

REMUNERATION COMMITTEE

Mr. LYN Frank Yee Chon (林怡仲) *(Chairperson)*
Prof. XUE Lan (薛瀾)
Dr. XU Li (徐立)

NOMINATION COMMITTEE

Prof. XUE Lan (薛瀾) *(Chairperson)*
Dr. XU Li (徐立)
Ms. FAN Yuanyuan (范瑗瑗)
Mr. LYN Frank Yee Chon (林怡仲)
Mr. CHIU Duncan (邱達根)

CORPORATE GOVERNANCE COMMITTEE

Prof. XUE Lan (薛瀾) *(Chairperson)*
Mr. LYN Frank Yee Chon (林怡仲)
Mr. CHIU Duncan (邱達根)

JOINT COMPANY SECRETARIES

Ms. LIN Jiemin (林潔敏)
Ms. WONG Wai Yee Ella (黃慧兒) *(FCG, HKFCG)*

AUTHORIZED REPRESENTATIVES

Mr. WANG Zheng (王征)
Ms. LIN Jiemin (林潔敏)

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

REGISTERED OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road, Grand Cayman
KY1-1205
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 1900 Hongmei Road
Xuhui District
Shanghai 200233
PRC

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

2/F, Harbour View 1
12 Science Park East Avenue
Hong Kong Science & Technology Park
Shatin
Hong Kong

HONG KONG LEGAL ADVISOR

Clifford Chance
27/F, Jardine House
One Connaught Place
Central
Hong Kong

COMPLIANCE ADVISOR

Haitong International Capital Limited
Suites 3001-3006 and 3015-3016
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

HONG KONG SHARE REGISTRAR

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road, Grand Cayman
KY1-1205
Cayman Islands

PRINCIPAL BANKS

Bank of China Limited
No. 1 Fuxingmen Nei Dajie
Xicheng District
Beijing
PRC

Industrial and Commercial Bank of China Limited
Shanghai Municipal Branch
No. 9 Pudong Avenue
Pudong New District
Shanghai
PRC

China Construction Bank
No. 25, Finance Street
Xicheng District
Beijing
PRC

China Merchants Bank
Merchants Bank Tower
No. 7088 Shennan Boulevard
Futian District
Shenzhen
PRC

STOCK CODES

0020 (HKD Counter)
80020 (RMB Counter)

COMPANY'S WEBSITE

www.sensetime.com

Key Highlights

FINANCIAL SUMMARY

	Six months ended June 30,				
	2025		2024		
	Amount	As a percentage of revenue	Amount	As a percentage of revenue	Period-over-period change
	(Unaudited) (RMB in thousands, except for percentages)				
Revenue	**2,358,198**	**100.0**	1,739,717	100.0	35.6%
Gross Profit	**907,800**	**38.5**	766,760	44.1	18.4%
Loss for the period	**(1,489,270)**	**(63.2)**	(2,477,212)	(142.4)	-39.9%
EBITDA	**(847,692)**	**(35.9)**	(2,040,685)	(117.3)	-58.5%
Non-IFRS Measures:					
Adjusted EBITDA	**(520,555)**	**(22.1)**	(1,889,638)	(108.6)	-72.5%
Adjusted net loss	**(1,162,133)**	**(49.3)**	(2,326,165)	(133.7)	-50.0%

OVERALL PERFORMANCE

In the first half of 2025, general-purpose and multimodal large models entered a new phase defined by strong reasoning and multi-agent collaboration. Generative AI penetration accelerated and, via replicable and controllable engineering pathways, began crossing "industrial threshold" across sectors. The industry is shifting rapidly from proof of concept to scaled deployment, with the ecosystem roles and boundaries being reshaped. In August, China State Council advanced the "AI+" Initiative, naming six priority domains for deep AI integration and eight foundational capabilities, which is expected to further catalyze AI adoption nationwide.

Against this backdrop, SenseTime deepened its "1+X" strategy and delivered tangible results. With Generative AI and Computer Vision as dual engines, business momentum remained robust with an improved structure:

- Generative AI sustained high growth, further increasing its contribution to Group revenue. Our proposed three-in-one strategy of "AI Infrastructure (SenseCore) – Large Model (SenseNova) – Application" has been proved a verifiable, replicable best practice in the industry.

- Computer Vision, after a period of industry-wide adjustment, regained its growth momentum. Leveraging leading market share and our focus on high-quality customers, Computer Vision business optimized revenue structure, improved profit margins, and enhanced cash flow.

- "X Businesses", following strategic restructuring, unlocked operational vitality and capital market appeal, with enhanced market recognition.

At the organizational level, the Group completed a "Re-CoFound" transformation. Centered on the "1" and "X" Businesses, we are fostering entrepreneurship across the firm, building a leadership bench that blends professionalism with diversity, and empowering each innovation business with a self-driven founding team. We also upgraded our organizational design and incentive programs, promoting a younger, more agile mindset and reigniting the entrepreneurial spirit.

To present our growth trajectory and core drivers more clearly, we reclassified revenue segments in the first half of 2025. The previous segments – Generative AI, Computer Vision, and Smart Auto – have been realigned into Generative AI, Computer Vision, and X Businesses as follows:

- Generative AI segment: scope unchanged.

- Computer Vision: now includes Smart Cabin-related businesses previously under SenseAuto to strengthen synergy with existing Computer Vision product lines.

- X Businesses: consolidates innovation businesses undergoing market-oriented financing, including SenseAuto (smart pilot, V2X, and the Kaiwu world model), as well as Smart Healthcare (SenseCare), Home Robotics (SenseRobot), and Smart Retail (SenseMart) previously under Computer Vision. As of June 30, 2025, this segment includes ecosystem business still within SenseTime's consolidated financial statements. Composition will adjust dynamically with financing and governance changes.

- The AI GPU chip company has been deconsolidated since the start of the year, and the edge chip company will be deconsolidated in the second half. Both remain integral ecosystem partners with deep ongoing collaboration.

FINANCIAL AND OPERATIONAL PERFORMANCE

- Revenue and Mix: Group revenue grew 35.6% period-over-period to RMB2,358.2 million in H1 2025. Generative AI revenue reached RMB1,815.5 million, up 72.7% period-over-period, lifting its share of Group revenue to 77.0% (vs. 60.4% in H1 2024 and 63.7% for FY 2024), underscoring a structural shift toward production-grade AI applications.

- Revenue Quality: Group gross profit was RMB907.8 million, with a gross margin, of 38.5%. Trade receivable collections were RMB3,158.5 million, up 95.5% period-over-period, reflecting significantly faster sales and delivery cycle. Revenue quality remained solid, supported by model performance improvements and compute-efficiency gains.

- Efficiency and Liquidity: Adjusted net narrowed to RMB1,162.1 million in H1 2025, a reduction of 50.0% period-over-period and lower sequentially, validating our operation practice of "focus the core – optimize structure – raise efficiency". As of June 30, 2025, cash reserves stood at RMB13,158.4 million, providing ample capacity to invest in the model foundations, industry-grade applications, and ecosystem development.

PERFORMANCE BY BUSINESS SEGMENT

Generative AI: Scaled Rollouts Driven by Multimodal Reasoning and Agents

In the first half of 2025, multimodal reasoning and agents became "standard capabilities" of production-level AI. The combination of both have transformed AI from a single-task assistant to a fundamentally new type of productivity that can solve complex tasks. With the "three-in-one" integrated strategy of "AI Infrastructure (SenseCore) – Large Model (SenseNova) – Application", SenseTime has taken the lead in transforming technical capabilities into a continuously growing commercial flywheel.

Generative AI revenue reached RMB1,815.5 million, up 72.7%, with its contribution to the Group rising to 77.0%. The flywheel's "three-in-one" synergy has achieved scale effects: computing power supports R&D and applications; R&D drives upstream and downstream iteration; applications, in turn, lead to data feedback and new insights. Integrated industrial solutions are driving joint commercialization of computing power platforms, models, and applications, forming replicable best practices across industries.

AI Infrastructure: SenseCore's Engineering Leadership

1. <u>Breakthroughs in customer and industry solutions</u>

   Through our "three-in-one" strategy, we formed high-value solutions for verticals such as interactive video content generation and embodied intelligence, securing top-tier customers.

   - Interactive video content generation: For demands of high concurrency, long duration, and high resolution in the field of interactive video content generation, we provide an integrated solution spanning data cleaning/synthesis, model training, and inference services, serving leading customers such as HiDream.ai and Shengshu Technology.

   - Embodied intelligence and smart hardware: We have integrated dual-channel data production across "simulation + real world" environment, enabling minute-level cross-region data aggregation and intelligent hierarchical storage. This supports Galbot, Fourier, and Lumos Robotics advance from proof-of-concept (PoC) to production deployment.

   - Scientific research and traditional industries: In combination with a multimodal foundation, we continuously expand comprehensive delivery capabilities, improving coverage and penetration depth across specialized industries.

2. Platform and computing power efficiency

- Heterogeneous clusters: SenseCore achieved stable operation of roughly 5,000-chip heterogeneous cluster of domestic chips, with the stability maintained for as long as a month. Its utilization is around 80% and heterogeneous training efficiency is about 95% compared to that of homogeneous clusters. We supported mixed deployment of multi-vendor servers, elastic scaling in seconds, and fault recovery in minutes, supporting training and inference for both dense and Mixture of Experts (MoE) architectures.

- Computing power and supply: Total compute has steadily grown to approximately 25,000 PetaFLOPS (as of August 2025), while continuously optimizing GPU mix in line with technology trends. The computing power/energy consumption rate is up by 20% versus last year, with resources better aligned to high-value markets for multimodal model training and inference. Lingang AIDC Phase II is progressing as planned. Multi-site nodes are centrally scheduled, with overall resource idleness remaining at a low level.

- Software platform upgrade: SenseCore 2.0 has been fully upgraded, with online inference performance up about 15% versus the prior version. We fully embrace open source, offering one-stop model services with "zero-cost migration, zero-barrier usage, and zero-code deployment", significantly shortening the cycle from R&D to production.

3. Industry recognition and market share

- Awarded China's first "General Capability Maturity for Large Model Inference Platforms" highest-level certification (Level 4+) by the China Telecommunication Technology Labs (CTTL) and the China Academy of Information and Communications Technology (CAICT).

- Ranked among the top three in China by IDC and Frost & Sullivan[1]. in IDC's "China Large Model Inference Computing Power Market Analysis Report 2025", received perfect scores in the three core areas of "performance optimization," "cloud and local integration," and "training and inference integration".

Large Models and Agents: SenseNova Multimodal Large Model Among the Top of Global Peers

Deep integration of multimodalities is a core requirement for achieving Artificial General Intelligence (AGI), as the world is constituted with information in different modalities. Following the breakthrough of Transformers in overcoming the long-sequence modeling barrier in language, we are now at the convergence of language, vision, and visual thinking. This lays the foundation for the next phase of artificial intelligence that breaks the boundary between digital and physical spaces while achieving intelligent interaction with the real world. SenseTime has accumulated extensive model expertise and data knowledge in the field of computer vision, coupled with traction from rich real-world application scenarios, enabling us to consistently lead the global forefront of multimodal large model development:

1 According to the report "Comprehensive Competitive Performance of China's AI Infrastructure" (August 2025) jointly released by Frost & Sullivan and LeadLeo, SenseCore was recognized as an industry leader, ranking among the top three in comprehensive evaluation. Additionally, in the IDC report "China Large Model Platform Market Share 2024" (August 2025), SenseCore AI Data Center ranked among the top three in China's large model platform market share.

1. <u>SenseNova V6 (April 10, 2025)</u>

    - Multimodal reasoning capabilities were leading among domestic models, comparable to OpenAI o1, while its data analysis performance significantly surpasses GPT-4o.

    - The overall efficiency of multimodal training has reached industry-leading levels, and inference costs have been reduced to the lowest in the industry; SenseNova V6 Omni delivers the strongest multimodal interaction capabilities in China, showing comparable performance with Gemini 2.5 Flash on various benchmarks. It is also the first Chinese large model to support in-depth analysis of medium to long-form videos (up to 10 minutes).

2. <u>SenseNova V6.5 (July 27, 2025)</u>

    - Strong reasoning: Took the lead in implementing the interleaved visual-linguistic chain-of-thought and multimodal reinforcement learning, rivalling Gemini 2.5 Pro and Claude 4-Sonnet.

    - High efficiency: Achieved more efficient perception and deeper fusion across modalities by early visual-language integration, resulting in a threefold improvement in overall cost performance.

    - Intelligent Agents: Realized integrated analysis of multimodal data, reaching Claude 4-Opus level in comprehensive tests conducted in real-world customer scenarios.

3. <u>Usability Breakthroughs</u>

    - Significantly surpassed DeepSeek R1 in complex data analysis scenarios; average accuracy in mathematics examination paper correction surpasses peers by 10 percentage points, becoming the new industry benchmark.

    - Multimodal interaction achieves "fast interaction and slow thinking"; robots can maintain stable interactions even in noisy environments, enabling practical use in real-world scenarios such as customer reception and conference presentation.

Application Ecosystem: "One Foundation, Two Wings" Accelerate Penetration (Productivity Tools × Interaction Tools)

With the continuous iteration and upgrading of SenseNova multimodal large model, our applications are rapidly enhancing penetration and customer stickiness in two major usage scenarios: "productivity tools" and "interaction tools." Centered on enterprise-grade Generative AI solutions, we are also expanding into various business models such as 2B2C (to consumer via to business) and direct 2C (to consumer), gradually forming a cloud-edge integrated product platform.

1. <u>Productivity Tools – SenseTime "Raccoon" Family</u>

    Powered by SenseNova V6.5 multimodal data analysis capabilities, "Raccoon" series covers the entire process of development/testing/operations, specifically addressing the pain points of difficult migration and handover in enterprise codebase management. Users exceeded 3 million, with daily token processing reaching 10 billion; we are collaborating with partners such as Lenovo to expand 2B2C and direct 2C. The "Raccoon" Family provides three industry-specific versions:

- **Finance Version:** We offer products such as knowledge assistant, intelligent data querying, intelligent insurance claims processing, etc., improving data production efficiency by 300%; we have supported clients such as China Merchants Bank, Ningbo Bank, Yuexiu Chong Hing Bank, China Pacific Insurance, and Haitong Securities, and co-built AI-driven financial productivity tools with Ant Group.

- **Education Version:** Covers 500+ educational institutions, 10+ scenarios, and 250,000+ teachers and students, serving Shanghai Jiao Tong University, Fudan University, Zhejiang University, etc. Jointly launched the "SenseChat Homework Grading System" and laser printer with Unis Hannto, supporting all types of K12 math questions, with grading accuracy of 99%+, capable of completing grading for an entire class within 10 minutes.

- **Public Service Version:** Launched a tailored intelligent public service assistant with Kylin Soft and Great Wall; full-stack domestication enables "on-premise data; turn-key AI."

2. Interaction Tools and To-C Innovation

In the field of interaction tools, SenseNova V6.5 achieves the integration of text with audio, fully upgrades real-time interaction to be warm, deep, memorable, and ultra-stable. Since its launch, SenseNova V6.5 has been applied in scenarios such as smart hardware and robotics, AI education, and AI cultural tourism.

- SenseNova multimodal streaming interaction time grew 510% within the year; Since its launch in May, our new App has achieved a 15-fold growth in user base within just three months.

- Smart Hardware and Robotics: V6.5 supports real-time audio-video fusion interaction, partnering with Xiaomi Glasses, XREAL, Guixu Electronics, and Ling, Additionally, relying on SenseTime's "Wuneng" embodied intelligence platform, it empowers general-purpose robots from Galbot, Fourier, and Whalebot with the ability to interact with the real world.

- AI + tourism: Partnered with the Xuhui Cultural Tourism Bureau to launch an innovative smart tour guide service; stable interaction in noisy environment, will accelerate its rollout to domestic scenic spots and museums.

- Launched the "Kapi" series: "Kapi Camera" and "Kapi Accounting" surpassed 10 million users, with DAU up 400% this year; "Kapi Accounting" has become one of the fastest apps in its niche to surpass 1 million users.

Computer Vision: Unlock the Next Wave of Accelerated Growth with Vision Agents

After a decade of maturation, computer vision is entering a second growth phase via multimodal vision agents. The entire market is expected to continue growing at an annualized rate of 15%, entering a new phase of "computer vision agents × application engineering." SenseTime remains at the forefront across all target markets: No. 1 in China Computer Vision Market Share for nine consecutive years, and No. 1 in China Smart Cabin Computer Vision Software Market Share for five consecutive years; recognition among overseas customers and partners continues to rise.

1. Customers and Operating Efficiency

   As of the end of June 2025, the Computer Vision segment served over 660 customers, with a 57% long-term repeat purchase customer ratio. Overseas pipeline and new orders grew significantly period-over-period in the first half. Benefited from domestic demand recovery and sustained growth in overseas market, we have seen increase in business from the SenseFoundry platform in smart city and business. Due to a Northeast Asian smart device customer shifting cooperation from R&D services to mostly long-term maintenance services, revenue in the first half of 2025 was RMB436.0 million, down 14.8% period-over-period. With strategic focus and organizational streamlining completed, profitability and cash flow improved significantly.

2. SenseFoundry: Building a Flagship Vision Agent Platform

   Traditional visual recognition and imaging models are being upgraded to autonomous vision agents via multimodal models.

- City and business park level: Primarily private deployment and subscription services, serving urban management and mobility, commercial buildings, scenic areas, and other industries. As of 30 June, 2025, it has been deployed in nearly 200 cities spanning 30,000 campuses, buildings, outlets, and hubs, with daily algorithm calls exceeding 100 million times.

- Edge device level (licensing model): Serves smartphones, automotive brands, and smart access control, enabling "full-scene, full-range" on-device imaging and perception intelligence. In the first half of 2025, cumulative shipments of SenseTime-empowered smart cabin for automobiles surpassed 1 million units, Android smartphones exceeded 250 million units, with expansion into new categories such as action cameras and AI glasses.

- Model-driven upgrade: By early 2025, the SenseFoundry platform had undergone a full upgrade leveraging multimodal large models and vision agents. It has evolved from passive API calls in the past, to now proactively judging and executing multiple vision-agent tasks. This transformation achieves greater efficiency and lower costs in recognition, understanding, retrieval, reasoning, and task scheduling, driving up sell among existing customers and deeper penetration into new verticals.

- Overseas and ecosystem: By continuously leveraging multimodal and platform capabilities to connect "Software – Models – Data – Computing Power," overseas order momentum strengthened, with increases in both the number and depth of ecosystem partners.

X Businesses

The X Businesses segment centers on incubating an innovation ecosystem, focusing on four verticals: Smart Auto, Healthcare, Robotics, and Retail. SenseTime provides ecosystem companies with computing services, foundation AI models (including large models and computer vision models), and expert services to shorten the 0-to-1 cycle; ecosystem companies in turn provide SenseTime with cutting-edge, multi-scenario market, application, and technology insights.

In the first half of 2025, X Businesses completed the build-out of comprehensive operational capabilities, greatly energizing the organization and talent, validating their vitality in the market. More importantly, post-financing, the X Businesses require no additional capital from SenseTime, significantly optimizing the Group's cash flow. The following are the key business developments achieved by the X Businesses in the first half:

- SenseAuto (Smart Auto): The intelligent driving solution based on the J6M chip has successfully entered mass production, initially deployed on GAC Trumpchi models, and the first batch of end-to-end models based on the Thor platform is expected to reach mass production within the year. SenseAuto's "Kaiwu" world model has been newly upgraded, creating the industry's first mass-produced, interactive world model, and has been deployed in the Shanghai Autonomous Driving Training Sandbox.

- SenseCare (Smart Healthcare): Deeply integrates AI into the full process of diagnosis, treatment, rehabilitation, and management across major hospitals and medical alliances. In the first half, jointly launched an "AI Pediatric General Practitioner" with Shanghai Xinhua Hospital; collaborated with Singapore's IHH Healthcare Group to advance early disease screening, selected as the only healthcare case publicized at the main forum of WAIC 2025.

- SenseRobot (Home Robotics): Ranked No. 1 for three consecutive years in "Smart Board Game Robotics" on JD/Tmall during Double 11, and exported to Japan, South Korea, and Southeast Asia. In August, SenseRobot launched a new product in collaboration with Disney's classic animated film "Zootopia."

- SenseMart (Smart Retail): Provides core AI algorithm support to top-tier smart retail solution providers and major beverage brands; Key clients include Midea Smart, President Food, Meiyijia, AUCMA, Haier, and UBOX.

Beyond the above four verticals, SenseTime's innovation ecosystem also includes two other components: (1) Ecosystem associated enterprises incubated by the Group; (2) minority equity investments in forward-looking emerging industries.

STRATEGIC OUTLOOK

Standing at the intersection of Computer Vision and Generative AI, and facing a new starting point of innovation and industrial integration, SenseTime officially launched the "1+X" new strategy in the second half of 2024. Through organizational, product, and business reshaping, we will seize the unprecedented market opportunity brought by Generative AI, while maintaining leadership in Computer Vision. We look forward to creating sustained value for employees, customers, and shareholders.

- **Generative AI:** Maintain a leading position in multimodal large models in China, deeply integrated with business scenarios and sustain rapid revenue growth.
- **Computer Vision:** Solidify the top position in the industry, optimize profit margins and cash flow quality.
- **"1+X" Strategy:** Drive X Businesses to become the leader in their respective vertical domains, and enhance operational vitality and capital market attractiveness.
- **"AI+":** Seize policy and market opportunities, accelerate penetration in key fields, and complete commercial closed-loops.

CORPORATE SOCIAL RESPONSIBILITY: LEADING A NEW PARADIGM WITH SUSTAINABLE AND RESPONSIBLE AI

Strategic Propositions

SenseTime adheres to sustainable development and responsible AI as long-term strategic core, embedding "green computing power, compliant and controllable, inclusive and accessible" across the full lifecycle of technology and business. With systemic practices, SenseTime was selected to the Forbes China's "2024-2025 Sustainable Development Industrial Selection Series," being the only company in the AI sector to be included.

Green Computing Power and Computing Power-Energy Synergy: From Demonstration to Replication

Leveraging self-developed multimodal large models, ultra-large-scale computing clusters, and long-cycle high-quality data, SenseTime and partners such as CATL jointly built the "AIDC Computing Power-Electricity Coordination Platform" at the nation's first 5A-grade intelligent compute center – SenseTime Lingang AIDC. The platform deeply integrates energy large models, dynamic computing power scheduling, and new energy storage, achieving precise matching and efficient utilization of "computing power and energy on demand," providing a practical, replicable, and promotable green upgrade solution.

- Energy demand prediction accuracy exceeded 88%, with decision-making accuracy above 93%. It is expected to increase to 90%-95% and 95%+ respectively within the year.
- Since the beginning of this year, it has saved 9% of ancillary energy consumption, while the electricity costs of the computing center have decreased by 5%, with energy efficiency significantly above the industry average, making Lingang AIDC a national benchmark for green operations in intelligent compute centers.
- Through elastic scheduling and storage synergy, we further improved peak-valley matching of computing power supply and unit economics, demonstrating a win-win path of "low carbon × high efficiency."
- SenseTime will continue to optimize across the three dimensions of "carbon efficiency, energy efficiency, and algorithmic efficiency," promoting scaled AI applications with lower energy consumption, higher security, and broader benefit.

Ethical Governance and Standards: Building a Responsibility Moat

Grounded in "security, controllability, explainability, and auditability," SenseTime continues to participate in and lead the standard setting globally:

- Actively participated in the development of 14 international standards and 23 domestic standards. Meanwhile, SenseTime serves as the co-chair of the AI Governance Subgroup under the National Artificial Intelligence Standardization General Group.

- At the World Artificial Intelligence Conference, SenseTime's AI ethic governance practice was selected as one of the "Top 10 Outstanding Cases of AI Empowering Sustainable Development" released by the National Information Security Standardization Technical committee, providing a reusable paradigm from principles to engineering implementation.

International Cooperation and Social Value: Expanding the Spillover Effects of "Inclusive AI"

SenseTime signed a "Framework for Cooperation on AI Ethics, Education, and Innovation" with the Indonesian government, becoming a benchmark for transnational cooperation:

- Jointly promoting inclusive AI, with public AI literacy enhancement programs.

- Jointly building a talent training system to cultivate high-end AI talent and localized innovation capabilities.

- Advancing regional digital capacity building and sustainable development with responsible AI, exporting a systemic solution of "technology + governance + talent," demonstrating SenseTime's leadership and commitment in global responsible innovation.

Management Discussion and Analysis

Six months ended June 30, 2025 compared to six months ended June 30, 2024

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
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**2,358,198**	1,739,717
Cost of sales	**(1,450,398)**	(972,957)
Gross profit	**907,800**	766,760
Selling expenses	**(272,285)**	(329,158)
Administrative expenses	**(597,033)**	(734,936)
Research and development expenses	**(2,118,533)**	(1,892,226)
Net impairment losses on financial assets and contract assets	**(142,732)**	(587,653)
Other income	**128,974**	108,736
Other gains/(losses) - net	**640,616**	(53,037)
Operating loss	**(1,453,193)**	(2,721,514)
Finance income	**128,124**	350,153
Finance cost	**(96,379)**	(85,864)
Finance income – net	**31,745**	264,289
Share of losses of investments accounted for using the equity method	**(13,212)**	(11,878)
Fair value losses of preferred shares	**(18,623)**	(12,101)
Loss before income tax	**(1,453,283)**	(2,481,204)
Income tax (expenses)/credit	**(35,987)**	3,992
Loss for the period	**(1,489,270)**	(2,477,212)
Loss is attributable to:		
Equity holders of the Company	**(1,477,949)**	(2,456,782)
Non-controlling interests	**(11,321)**	(20,430)
	(1,489,270)	(2,477,212)
Non-IFRS measures:		
Adjusted EBITDA	**(520,555)**	(1,889,638)
Adjusted net losses	**(1,162,133)**	(2,326,165)

Six months ended June 30, 2025 compared to six months ended June 30, 2024

Revenue

Our revenue increased by 35.6% to RMB2,358.2 million in the six months ended June 30, 2025, compared to RMB1,739.7 million in the six months ended June 30, 2024, primarily driven by continued expansion of Generative AI. The following table sets out a breakdown of our revenue by streams in absolute amounts and as percentages of our total revenue for the periods indicated:

	Six months ended June 30			
	2025 RMB million (Unaudited)	**%**	2024 RMB million (Unaudited)	%
Generative AI	**1,815.5**	**77.0**	1,051.2	60.4
Computer Vision	**436.0**	**18.5**	512.0	29.4
X Businesses	**106.7**	**4.5**	176.5	10.2
Total	**2,358.2**	**100.0**	1,739.7	100.0

Our Generative AI revenue increased by 72.7% to RMB1,815.5 million in the six months ended June 30, 2025, compared to RMB1,051.2 million in the six months ended June 30, 2024, as the demand for Generative AI model training, fine-tuning, and inference has continued to experience tremendous growth. We have also continued to commercialize our Generative AI related applications in a number of verticals including internet, intelligent hardware, robotics, finance and AI for science.

Our Computer Vision revenue decreased to RMB436.0 million in the six months ended June 30, 2025, compared to RMB512.0 million in the six months ended June 30, 2024, as collaboration with one particular Northeast Asian customer switched to mostly maintenance service upon the completion of a series of sizeable R&D projects. Notwithstanding this headwind, the Computer Vision business in general has been stabilizing and rebounding, as we continue to focus on the highest-quality customers and proactively introduce our Generative AI capabilities to our Computer Vision customers.

Our revenue from X Businesses decreased to RMB106.7 million in the six months ended June 30, 2025, compared to RMB176.5 million in the six months ended June 30,2024. These X Businesses currently consist of four business divisions: SenseAuto (Smart Auto), SenseCare (Smart Healthcare), SenseRobot (Home Robotics) and SenseMart (Smart Retail). Over time, we would expect the X Business composition to change as we incubate more X Businesses or when existing X Businesses eventually become deconsolidated from our financial statements. It will therefore make period-over-period comparison less meaningful going forward for this particular revenue line. The revenue decline for the 1st half of 2025 is mainly due to declining revenue from SenseAuto.

Six months ended June 30, 2025 compared to six months ended June 30, 2024

Cost of sales

Our cost of sales increased by 49.1% from RMB973.0 million in the six months ended June 30, 2024 to RMB1,450.4 million in the six months ended June 30,2025. The following table sets out a breakdown of our cost of sales by nature in absolute amounts and as percentages of our cost of sales for the periods indicated:

	Six months ended June 30			
	2025 RMB million (Unaudited)	**%**	2024 RMB million (Unaudited)	%
Hardware costs and subcontracting service fees	**1,244.8**	**85.7**	773.2	79.5
Depreciation and amortization	**87.5**	**6.0**	106.4	10.9
AIDC operation costs	**79.8**	**5.5**	45.5	4.7
Employee benefit expenses	**30.0**	**2.1**	30.8	3.2
Other expenses	**8.3**	**0.7**	17.1	1.7
Total	**1,450.4**	**100.0**	973.0	100.0

The increase in cost of sales was primarily attributable to the increase in hardware costs and subcontracting service fees, whose percentage contribution of total cost of sales has remained largely stable.

Gross Profit and Gross Margin

Our gross profit increased by 18.4% from RMB766.8 million in the six months ended June 30, 2024 to RMB907.8 million in the six months ended June 30, 2025, which is largely in line with the increase of revenue. Our gross margin decreased from 44.1% in the six months ended June 30, 2024 to 38.5% in the six months ended June 30, 2025, mainly due to higher hardware and AIDC-related costs, as driven by customer demand in 2025.

Research and Development Expenses

Our research and development expenses increased by 12.0% from RMB1,892.2 million in the six months ended June 30, 2024 to RMB2,118.5 million in the six months ended June 30, 2025, primarily due to the increase of depreciation and amortization, server operation and cloud based service fees, which resulted from our increasing investment in training and fine-tuning our foundation models as well as developing Generative AI applications.

Selling Expenses

Our selling expenses decreased by 17.3% from RMB329.2 million in the six months ended June 30, 2024 to RMB272.3 million in the six months ended June 30, 2025, primarily due to decrease in employee benefit expenses, marketing and travelling expenses.

Six months ended June 30, 2025 compared to six months ended June 30, 2024

Administrative Expenses

Our administrative expenses decreased by 18.8% from RMB734.9 million in the six months ended June 30, 2024 to RMB597.0 million in the six months ended June 30, 2025, primarily due to decrease in employee benefit expenses.

Net Impairment Losses on Financial Assets and Contract Assets

Our net impairment losses on financial assets decreased by 75.7% from RMB587.7 million in the six months ended June 30, 2024 to RMB142.7 million in the six months ended June 30, 2025, primarily due to strengthened collection of accounts receivables and the fact that we already have relatively high balance sheet provisions for account receivables.

Other Income

Our other income increased by 18.6% from RMB108.7 million in the six months ended June 30, 2024 to RMB129.0 million in the six months ended June 30, 2025, primarily due to an increase in government grants.

Other gains/(Losses) - Net

We had net other gains of RMB640.6 million in the six months ended June 30, 2025 compared to net other losses of RMB53.0 million in the six months ended June 30, 2024. The net other gains in the six months ended June 30, 2025, primarily consist of gains on disposal of subsidiaries amounting to RMB937.6 million, fair value losses on financial assets at fair value through profit or loss amounting to RMB155.3 million and net foreign exchange losses of RMB169.0 million.

Finance Income – Net

Net finance income decreased by 88.0% from RMB264.3 million in the six months ended June 30, 2024 to RMB31.7 million in the six months ended June 30, 2025, mainly attributable to a RMB241.3 million gain from remeasurement of put option liability in prior year.

Fair Value Losses of Preferred Shares

Fair value losses of preferred shares increased from RMB12.1 million in the six months ended June 30, 2024 to RMB18.6 million in the six months ended June 30, 2025, resulting from changes in the fair value of preferred shares issued by a subsidiary of the Company.

Income Tax (Expenses)/Credit

We had income tax expense of RMB36.0 million in the six months ended June 30, 2025, compared to income tax credit of RMB4.0 million in the six months ended June 30, 2024, primarily due to a decrease in deferred income tax asset.

Loss For the Period

As a result of the foregoing, we had a loss of RMB1,489.3 million in the six months ended June 30, 2025, compared with a loss of RMB2,477.2 million in the six months ended June 30, 2024. Our continued focus on improving operational efficiency contributed to the reduction in losses.

Six months ended June 30, 2025 compared to six months ended June 30, 2024

Non-IFRS Measures

To supplement our consolidated results which are prepared and presented in accordance with IFRS, we also use EBITDA/adjusted EBITDA and adjusted net loss as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance such as certain non-cash items and certain impact of financing and investment activities. We believe that these measures provide 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 the EBITDA/adjusted EBITDA and adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

The following table sets out EBITDA/adjusted EBITDA and a reconciliation from loss before income tax for the periods to EBITDA/adjusted EBITDA for the periods indicated:

	Six months ended June 30	
	2025 **RMB million** **(Unaudited)**	2024 RMB million (Unaudited)
Loss before income tax	**(1,453.3)**	(2,481.2)
Add:		
Finance income, net	**(31.7)**	(264.3)
Depreciation and amortization	**637.3**	704.8
EBITDA	**(847.7)**	(2,040.7)
Add:		
Fair value losses of preferred shares	**18.6**	12.1
Share-based compensation expenses	**153.3**	125.5
Fair value losses on financial assets at fair value through profit or loss	**155.3**	10.9
Professional service fees in connection with equity fundraising	**–**	2.6
Adjusted EBITDA	**(520.6)**	(1,889.6)

Six months ended June 30, 2025 compared to six months ended June 30, 2024

The following table reconciles our adjusted net loss for the periods presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is net loss for the periods:

	Six months ended June 30	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Net losses for the period	**(1,489.3)**	(2,477.2)
Add:		
Fair value losses of preferred shares	**18.6**	12.1
Share-based compensation expenses	**153.3**	125.5
Fair value losses on financial assets at fair value through profit or loss	**155.3**	10.9
Professional service fees in connection with equity fundraising	**–**	2.6
Adjusted net losses	**(1,162.1)**	(2,326.2)

Trade, Other Receivables and Prepayments

Our trade, other receivables and prepayments decreased from RMB5,068.0 million as of December 31, 2024 to RMB4,719.3 million as of June 30, 2025, which primarily comprise trade receivables and other receivables.

Trade Receivables

The following table sets out a breakdown of our trade receivables as of the dates indicated:

	As at June 30, 2025	As at December 31, 2024
	RMB million	RMB million
	(Unaudited)	
Trade receivables		
– Due from related parties	**113.0**	13.9
– Due from third parties	**6,483.6**	6,959.7
Provision for impairment	**(4,469.0)**	(4,581.9)
Total	**2,127.6**	2,391.7

Our net trade receivables decreased as of June 30, 2025, compared to that as of December 31, 2024.

Six months ended June 30, 2025 compared to six months ended June 30, 2024

Trade receivables' aging analysis based on date of revenue recognition is as follows:

	As at June 30, 2025 RMB million (Unaudited)	As at December 31, 2024 RMB million
Up to 6 months	**1,009.2**	863.4
6 months to 1 year	**285.6**	278.4
1 to 2 years	**296.4**	262.5
2 to 3 years	**1,008.4**	1,748.2
More than 3 years	**3,997.0**	3,821.1
	6,596.6	6,973.6

As of June 30, 2025, the long aging of our gross trade receivables over 2 years has improved due to enhanced collection management, compared to that as of December 31, 2024. A significant portion of our historical revenue was derived from Smart City, which typically features a long payment cycle as required by the customers' internal financial management and payment approval processes. Although our overall cash collection has maintained a relatively healthy momentum since 2024, cash collections for relatively long outstanding receivables remain challenging, as some of our customers, especially those from or are exposed to the public sector, face temporary budget constraints and uncertain macroeconomic environment.

LIQUIDITY AND FINANCIAL RESOURCES

We have historically funded our cash requirements principally from capital contribution from shareholders. We had cash and cash equivalents of RMB11,168.4 million as of June 30, 2025, compared to the balance of RMB8,888.0 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 RMB million (Unaudited)	2024 RMB million (Unaudited)
Net cash used in operating activities	**(639.5)**	(3,523.8)
Net cash generated/(used in) from investing activities	**699.7**	(1,068.2)
Net cash generated from financing activities	**2,158.0**	2,722.7
Net increase/(decrease) in cash and cash equivalents	**2,218.2**	(1,869.3)
Cash and cash equivalents at the beginning of the period	**8,888.0**	9,423.5
Exchange changes on cash and cash equivalents	**62.2**	72.3
Cash and cash equivalents at the end of the period	**11,168.4**	7,626.5

Net Cash Used in Operating Activities

Net cash used in operating activities represents the cash used in our operations plus the income tax paid. Cash used in our operations primarily comprises our loss before income tax adjusted by non-cash items and changes in working capital.

For the six months ended June 30, 2025, net cash used in operating activities was RMB639.5 million, which was primarily attributable to our loss before income tax, as adjusted by (i) depreciation and amortization, fair value losses on financial assets at fair value through profit or loss and provision for impairment of financial assets and contract assets, and (ii) changes in operating assets and liabilities. Net cash used in operating activities decreased in the six months ended June 30, 2025 primarily due to improved cash collection of trade receivables, and better inventory management.

Six months ended June 30, 2025 compared to six months ended June 30, 2024

Net Cash Generated from/(Used in) Investing Activities

For the six months ended June 30, 2025, net cash generated from investing activities was RMB699.7 million, which was mainly attributable to net decrease in investments in term deposits, offset by purchase of property, plant and equipment and acquisition of investments in financial assets at fair value through profit and loss.

Net Cash Generated from Financing Activities

For the six months ended June 30, 2025, net cash generated from financing activities was RMB2,158.0 million, which was mainly attributable to net proceeds from borrowings.

Borrowings

As of December 31, 2024 and June 30, 2025, we had total borrowings of RMB5,921.8 million and RMB8,172.9 million, respectively. Repayment analysis and the currency denomination of bank borrowings of the Group as at June 30, 2025 are set out in note 31 to the consolidated financial statements.

The Group maintains a prudent approach in its treasury management with interest rate exposure maintained principally on a floating rate basis. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk. The Group 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 when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective Group entities' functional currency. The Company's functional currency is USD. The Company's primary subsidiaries were incorporated in Mainland China, Hong Kong, Japan and Singapore. These subsidiaries considered RMB, HKD, JPY and SGD as their functional currencies, respectively.

We are primarily exposed to changes in HKD/RMB, USD/RMB, and HKD/USD exchange rates. During the Reporting Period we entered into certain foreign exchange forward contracts to hedge the foreign exchange risk between USD and RMB, and these arrangements are still in force as at June 30, 2025. These contracts were not qualified for hedge accounting. 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 at June 30, 2025, the Group had 3,206 employees, which represented a 14.6% decline in total headcount from prior year end.

The Group formulates the remuneration package for its employees based on the overall remuneration standard in the market, industry practice and the Group's remuneration strategy. In addition to salary, in-house training programmes and employee benefits, employees may receive year-end performance incentives depending on their individual performance, which includes cash incentives or share options.

Six months ended June 30, 2025 compared to six months ended June 30, 2024

Use of Proceeds from Placing of Class B Shares under General Mandate

On December 11, 2024, the Company entered into a placing agreement (the "**December 2024 Placing Agreement**") with China International Capital Corporation Hong Kong Securities Limited, Guotai Junan Securities (Hong Kong) Limited and Huatai Financial Holdings (Hong Kong) Limited in relation to the placing of 1,865,000,000 new Class B Shares at HK$1.50 per placing share to not less than six placees who and whose ultimate beneficial owner(s) (where applicable) shall be independent third parties (the "**December 2024 Placing**"). All the conditions set out in the December 2024 Placing Agreement were fulfilled and the December 2024 Placing was completed on December 17, 2024, where a total of 1,865,000,000 placing shares, representing approximately 5.12% of the number of the then issued Class B Shares and approximately 5.04% of the number of the then existing issued Shares as enlarged by the allotment and issue of the Placing Shares, have been successfully placed to no fewer than six independent placees at the Placing Price of HK$1.50 pursuant to the terms and conditions of the Placing Agreement. The aggregate nominal value of the placing shares under the December 2024 Placing is USD46.63 and the closing price of the Class B Shares as quoted on the Stock Exchange on December 10, 2024 (being the date on which the placing price was fixed) was HK$1.60 per Class B Share. For details, please refer to the announcements of the Company dated December 11, 2024 and December 17, 2024 respectively.

The Directors considered that the December 2024 Placing represents a suitable financing option for the Company to raise further funding to support the Group's continuous development and business growth, which is in the interest of the Company and its Shareholders as a whole.

The net proceeds from the December 2024 Placing, after deducting the Placing commission and other relevant costs and expenses of the December 2024 Placing, amounted to approximately HK$2,787.1 million (representing a net issue price of approximately HK$1.49 per Placing Share). The Company intends to use such net proceeds mainly for further enhancing the scale of the Company's industry leading AI infrastructure – SenseCore, supporting the further development of generative AI including large model research and product development, and for the purpose of general working capital of the Company. As at June 30, 2025, all of such net proceeds had been utilised by the Group. 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 (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 Placing
Enhancing the scale of the Company's industry leading AI infrastructure	35.0	975.5	975.5	–	N.A.
Supporting the further development of Generative AI	30.0	836.1	836.1	–	N.A.
General working capital	35.0	975.5	975.5	–	N.A.
Total	**100.0**	**2,787.1**	**2,781.1**	**–**	

Six months ended June 30, 2025 compared to six months ended June 30, 2024

Gearing Ratio

As of June 30, 2025, our gearing ratio was -2.1%, which represented a net cash position. Our gearing ratio is calculated as net debt divided by total capital at the end of each financial year. Net debt equals to our total borrowings, lease liabilities and preferred share and other financial liabilities less our cash and cash equivalents. Total capital is calculated as total equity plus net debt.

Contingent Liabilities

As of June 30, 2025, we did not have any material contingent liabilities.

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

For the six months ended June 30, 2025, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Pledge of Assets

As of June 30, 2025, we pledged certain buildings and land use rights with carrying amount of RMB4,143.9 million and restricted guarantee deposits amounting to RMB163.4 million for borrowings.

Future Plans for Material Investments and Capital Assets

As of June 30, 2025, we have no specific future plan for material investments and acquisition of capital assets. 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.

EVENTS AFTER THE REPORTING PERIOD

Placing of New Class B Shares under General Mandate

On July 23, 2025 (after trading hours of the Stock Exchange), the Company entered into a subscription agreement (the "**Subscription Agreement**") with Infini Capital Management Limited (the "**Subscriber**", who and whose ultimate beneficial owners are independent third parties of the Company), pursuant to which the Subscriber has agreed to subscribe for, and the Company has agreed to issue, a total of 1,666,667,000 new Class B Shares (the "**Subscription Share(s)**") at HK$1.50 per Subscription Share (the "**Subscription Price**"). In addition, on July 23, 2025, the Company also entered into a placing agreement (the "**Placing Agreement**") with Guotai Junan Securities (Hong Kong) Limited and CLSA Limited (collectively, the "**Placing Agents**"), pursuant to which the Placing Agents have agreed to, amongst others, assist in completing the transactions contemplated under the Subscription Agreement. All the conditions set out in the Subscription Agreement and the Placing Agreement were fulfilled and the completion of the Subscription Agreement and the Placing Agreement took place on July 31, 2025, where a total of 1,666,667,000 Subscription Shares, representing approximately 4.38% of the number of the then issued Class B Shares and approximately 4.31% of the number of the then existing issued Shares as enlarged by the allotment and issue of the Subscription Shares, were issued by the Company at the Subscription Price of HK$1.50 pursuant to the terms and conditions of the Subscription Agreement.

For details, please refer to the announcements of the Company dated July 24, 2025 and July 31, 2025 respectively. Details of the use of proceeds under the Subscription Agreement will be disclosed in the annual report of the Company for the year ended 31 December 2025.

Report on Review of Interim Financial Information

To the Board of Directors of SenseTime Group Inc.
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 26 to 89, which comprises the interim condensed consolidated balance sheet of SenseTime Group Inc. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2025 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive loss, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 August 2025

Interim Condensed Consolidated Income Statement

For the Six Months Ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
		Six months ended 30 June	
Revenue	5(a),6	**2,358,198**	1,739,717
Cost of sales	7	**(1,450,398)**	(972,957)
Gross profit		**907,800**	766,760
Selling expenses	7	**(272,285)**	(329,158)
Administrative expenses	7	**(597,033)**	(734,936)
Research and development expenses	7	**(2,118,533)**	(1,892,226)
Net impairment losses on financial assets and contract assets		**(142,732)**	(587,653)
Other income	8	**128,974**	108,736
Other gains/(losses) – net	9	**640,616**	(53,037)
Operating loss		**(1,453,193)**	(2,721,514)
Finance income	10	**128,124**	350,153
Finance costs	10	**(96,379)**	(85,864)
Finance income – net	10	**31,745**	264,289
Share of losses of investments accounted for using the equity method		**(13,212)**	(11,878)
Fair value losses of preferred shares	28(d)	**(18,623)**	(12,101)
Loss before income tax		**(1,453,283)**	(2,481,204)
Income tax (expenses)/credit	11	**(35,987)**	3,992
Loss for the period		**(1,489,270)**	(2,477,212)
Loss is attributable to:			
Equity holders of the Company		**(1,477,949)**	(2,456,782)
Non-controlling interests		**(11,321)**	(20,430)
		(1,489,270)	(2,477,212)
Loss per share for loss attributable to equity holders of the Company			
Basic and diluted loss per share (RMB)	12	**(0.04)**	(0.08)

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Comprehensive Loss

For the Six Months Ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period	**(1,489,270)**	(2,477,212)
Other comprehensive income		
Item that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**336,717**	(205,147)
Item that will not be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**(206,859)**	282,142
Revaluation gains upon transfer from property, plant and equipment to investment properties	**3,558**	–
Effects of changes in credit risk for financial liabilities designated as at fair value through profit or loss (Note 28(d))	**(3,848)**	(5,017)
Other comprehensive income for the period, net of taxes	**129,568**	71,978
Total comprehensive loss for the period	**(1,359,702)**	(2,405,234)
Total comprehensive loss for the period is attributable to:		
Equity holders of the Company	**(1,348,381)**	(2,381,324)
Non-controlling interests	**(11,321)**	(23,910)
	(1,359,702)	(2,405,234)

The above interim condensed consolidated statement of comprehensive loss should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Balance Sheet

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	14	**5,276,102**	7,277,392
Right-of-use assets	15	**257,073**	239,470
Investment properties	16	**2,507,845**	–
Intangible assets	17	**128,395**	238,550
Contract assets	6(d)	**15,089**	21,386
Investments accounted for using the equity method		**1,511,764**	702,405
Deferred income tax assets	19	**715,632**	743,763
Financial assets at fair value through profit or loss	23	**6,107,249**	6,363,496
Long-term receivables	22	**25,489**	35,303
Other non-current assets	18	**684,216**	699,557
Restricted cash	25	**10,567**	51,417
		17,239,421	16,372,739
Current assets			
Inventories	20	**450,962**	452,307
Contract assets	6(d)	**19,849**	5,717
Trade, other receivables and prepayments	21	**4,719,332**	5,067,957
Financial assets at fair value through profit or loss	23	**1,795,889**	701,087
Derivative financial instrument	24	**3,580**	–
Restricted cash	25	**183,533**	141,210
Term deposits	25	**–**	2,970,506
Cash and cash equivalents	25	**11,168,375**	8,887,988
		18,341,520	18,226,772
Total assets		**35,580,941**	34,599,511
Equity			
Equity attributable to equity holders of the Company			
Share capital	26	**6**	6
Other reserves	27	**76,235,914**	76,069,902
Currency translation reserves		**4,433,275**	4,303,417
Accumulated losses		**(58,390,500)**	(56,912,551)
		22,278,695	23,460,774
Non-controlling interests		**192,110**	180,931
Total equity		**22,470,805**	23,641,705

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Liabilities			
Non-current liabilities			
Borrowings	31	**4,127,038**	4,681,464
Lease liabilities	15	**143,406**	99,259
Deferred income tax liabilities	19	**13,589**	16,521
Contract liabilities	6(e)	**55,481**	54,478
Deferred revenue		**238,813**	212,087
Other financial liabilities	28	**1,106,582**	1,103,866
Long-term payables		**–**	36,190
		5,684,909	6,203,865
Current liabilities			
Borrowings	31	**4,045,898**	1,240,334
Trade and other payables	30	**1,617,691**	1,788,754
Lease liabilities	15	**64,577**	97,276
Contract liabilities	6(e)	**333,741**	276,913
Deferred revenue		**108,925**	142,069
Current income tax liabilities		**3,482**	3,548
Preferred share liabilities	28	**1,222,444**	1,205,047
Derivative financial instrument	24	**28,469**	–
		7,425,227	4,753,941
Total liabilities		**13,110,136**	10,957,806
Total equity and liabilities		**35,580,941**	34,599,511

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

On behalf of the Board

Xu Li
Director

Wang Zheng
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2025

	Notes	Equity attributable to equity holders of the Company						
		Share capital RMB'000	Other reserves RMB'000	Currency translation reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
(Unaudited)								
As at 1 January 2025		6	76,069,902	4,303,417	(56,912,551)	23,460,774	180,931	23,641,705
Comprehensive loss								
Loss for the period		–	–	–	(1,477,949)	(1,477,949)	(11,321)	(1,489,270)
Effects of changes in credit risk for financial liabilities designated as at fair value through profit or loss	28(d)	–	(3,848)	–	–	(3,848)	–	(3,848)
Revaluation gains upon transfer from property, plant and equipment to investment properties		–	3,558	–	–	3,558	–	3,558
Exchange differences on translation of foreign operations		–	–	129,858	–	129,858	–	129,858
Total comprehensive loss		–	(290)	129,858	(1,477,949)	(1,348,381)	(11,321)	(1,359,702)
Transactions with equity holders								
Exercise of share options		–	35,552	–	–	35,552	–	35,552
Transactions with non-controlling interests		–	40,000	–	–	40,000	(40,000)	–
Recognition of financial instruments with preferred rights at amortised cost	28(c)	–	(62,500)	–	–	(62,500)	62,500	–
Share-based compensation expenses	7,29(c)	–	153,250	–	–	153,250	–	153,250
Total transactions with equity holders		–	166,302	–	–	166,302	22,500	188,802
As at 30 June 2025		6	76,235,914	4,433,275	(58,390,500)	22,278,695	192,110	22,470,805

For the Six Months Ended 30 June 2025

	Notes	Equity attributable to equity holders of the Company					Non-controlling interests	Total equity
		Share capital RMB'000	Other reserves RMB'000	Currency translation reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	RMB'000	RMB'000
(Unaudited)								
As at 1 January 2024		5	71,666,422	4,127,161	(52,634,168)	23,159,420	(3,947)	23,155,473
Comprehensive loss								
Loss for the period		–	–	–	(2,456,782)	(2,456,782)	(20,430)	(2,477,212)
Effects of changes in credit risk for financial liabilities designated as at fair value through profit or loss	28(d)	–	(5,017)	–	–	(5,017)	–	(5,017)
Exchange differences on translation of foreign operations		–	–	80,475	–	80,475	(3,480)	76,995
Total comprehensive loss		–	(5,017)	80,475	(2,456,782)	(2,381,324)	(23,910)	(2,405,234)
Transactions with equity holders								
Placing of ordinary shares	26,27	1	1,815,598	–	–	1,815,599	–	1,815,599
Exercise of share options		–	26,760	–	–	26,760	–	26,760
Transactions with non-controlling interests		–	(31,585)	–	–	(31,585)	31,585	–
Recognition of financial instruments with preferred rights at amortised cost	28(c)	–	(11,400)	–	–	(11,400)	11,400	–
Repurchase of ordinary shares for share award scheme	27	–	(13,530)	–	–	(13,530)	–	(13,530)
Share-based compensation expenses	7,29(c)	–	125,491	–	–	125,491	–	125,491
Total transactions with equity holders		1	1,911,334	–	–	1,911,335	42,985	1,954,320
As at 30 June 2024		6	73,572,739	4,207,636	(55,090,950)	22,689,431	15,128	22,704,559

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2025

		Six months ended 30 June	
	Notes	**2025**	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Cash used in operations		**(628,372)**	(3,501,379)
Income tax paid		**(11,113)**	(22,384)
Net cash used in operating activities		**(639,485)**	(3,523,763)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(1,389,008)**	(650,125)
Purchase of intangible assets		**(70,932)**	(49,524)
Proceeds from disposal of property, plant and equipment		**240,871**	9,209
Net cash outflow from disposal of subsidiaries		**(138,542)**	(36,044)
Increase in investments accounted for using the equity method		**(4,250)**	(14,460)
Dividend received from financial assets at fair value through profit and loss	8	**6,789**	2,257
Acquisition of debt and equity investments	23(a), (b)	**(244,950)**	(176,865)
Acquisition of wealth management products	23(c)	**(6,788,000)**	(1,679,000)
Disposal of debt and equity investments	23(a), (b)	**341,044**	26,107
Redemption of wealth management products	23(c)	**5,655,073**	1,489,599
Net decrease/(increase) in investments in term deposits		**2,936,461**	(102,339)
Proceeds from disposal of associates		**3,536**	–
Interest received from banks		**151,578**	113,017
Net cash generated from/(used in) investing activities		**699,670**	(1,068,168)

For the Six Months Ended 30 June 2025

	Notes	Six months ended 30 June **2025** **RMB'000** **(Unaudited)**	 2024 RMB'000 (Unaudited)
Cash flows from financing activities			
Proceeds from borrowings		**3,882,748**	997,429
Repayments of borrowings		**(1,633,071)**	(183,500)
Interest paid		**(89,736)**	(79,994)
Principal elements of lease payments		**(66,743)**	(81,671)
Interests elements of lease payments		**(5,189)**	(5,221)
Net payment of settlement of put option liabilities		**–**	(21,330)
Net decrease in restricted cash	25(b)	**–**	(803)
Capital injection by limited partners of investment fund controlled by the Group	28(b)	**–**	272,272
Capital injection by non-controlling shareholder	28(c)	**62,500**	11,400
Proceeds from placing of ordinary shares		**–**	1,815,599
Purchase of ordinary shares for share award scheme		**–**	(13,530)
Proceeds from exercise of share options		**7,522**	12,015
Net cash generated from financing activities		**2,158,031**	2,722,666
Net increase/(decrease) in cash and cash equivalents		**2,218,216**	(1,869,265)
Cash and cash equivalents at beginning of period		**8,887,988**	9,423,495
Effect of foreign exchange rates changes		**62,171**	72,314
Cash and cash equivalents at end of period		**11,168,375**	7,626,544

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended 30 June 2025

1 GENERAL INFORMATION

SenseTime Group Inc. (the "Company") was incorporated in the Cayman Islands on 15 October 2014 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Vistra (Cayman) Limited, of 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 principal activities of the Company and its subsidiaries (the "Group"), including the structured entities (collectively, the "Group"), are the sale of advanced artificial intelligence ("AI") software, sale of AI software platform and related services, sale of software-embedded hardware and related services, AIDC service as well as research and development activities in relation to AI technology mainly in the People's Republic of China (the "PRC"), Northeast Asia, Southeast Asia and other geographical areas.

The Company is a leading AI software company with customers across a broad spectrum of industries.

The Group did not have ultimate holding company and controlling shareholder.

On 30 December 2021, the Company has successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial information is presented in thousands of Renminbi ("RMB'000"), unless otherwise stated. This interim condensed consolidated financial information was approved for issue by the board of directors on 28 August 2025.

2 BASIS OF PREPARATION

This interim condensed consolidated 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 should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards (IFRS), as set out in the Company's annual report dated 26 March 2025 except for the adoption of amended standard as disclosed in Note 3.

3 NEW STANDARDS AND INTERPRETATIONS

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 for the interim period are accrued using the estimated tax rates that would be applicable to expected total annual assessable profit.

(a) New or amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The following amendment to standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2025:

IAS 21 (Amendment)	Lack of Exchangeability

The adoption of amended standards did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards, amendments and interpretations not yet adopted

The followings new standards and amendments to standards have not come into effect for the financial year beginning 1 January 2025 and have not been early adopted by the Group in preparing the interim condensed consolidated financial statements. According to the preliminary assessment made by the directors of the Group, no significant impact on the financial performance and positions of the Group is expected when they become effective.

For the Six Months Ended 30 June 2025

3 NEW STANDARDS AND INTERPRETATIONS (CONTINUED)

(b) New standards, amendments and interpretations not yet adopted (continued)

		Effective for annual periods Beginning on or after
IFRS 7 and IFRS 9 (Amendment)	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Annual Improvements to IFRS	Annual Improvements to IFRS Accounting Standards	January 1, 2026
IFRS 10 and IAS 28 (Amendment)	Sale or Contribution of Assets between an investor and its Associate or Joint Venture	January 1, 2026
IFRS 19	Subsidiaries without public accountability: disclosures	January 1, 2027
IFRS 18	Presentation and disclosure in financial statements	January 1, 2027
IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity	To be determined

4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

(a) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Fair value hierarchy (continued)

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2025 on a recurring basis:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
(Unaudited)				
At 30 June 2025				
Assets:				
– Financial assets at fair value through profit or loss ("FVPL")	**199,591**	**–**	**7,703,547**	**7,903,138**
– Derivative financial instrument	**–**	**3,580**	**–**	**3,580**
	199,591	**3,580**	**7,703,547**	**7,906,718**
Liabilities:				
– Preferred share liabilities	**–**	**–**	**1,222,444**	**1,222,444**
– Derivative financial instrument	**–**	**28,469**	**–**	**28,469**
– Other financial liabilities	**–**	**–**	**897,156**	**897,156**
	–	**28,469**	**2,119,600**	**2,148,069**

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2024				
Assets:				
– Financial assets at FVPL	782,940	–	6,281,643	7,064,583
Liabilities:				
– Preferred share liabilities	–	–	1,205,047	1,205,047
– Other financial liabilities	–	–	916,940	916,940
	–	–	2,121,987	2,121,987

4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Fair value hierarchy (continued)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (e.g. publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. The quoted market price already incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- for other financial instruments – discounted cash flow analysis.

There were no changes in valuation techniques during the six months ended 30 June 2025. The Group also did not change any valuation techniques in determining the level 2 and level 3 fair values.

For transfers in and out of level 3 measurements see (c) below.

The fair value of trade and other receivables, long-term receivables, term deposits, restricted cash, and cash and cash equivalents approximated to their carrying amounts

4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the six months ended 30 June 2025:

	Debt investments	Equity investments	Wealth management products	Preferred shares issued by a subsidiary	Net asset value of investment funds attributable to limited partners	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)						
At 1 January 2025	**5,214,360**	**366,196**	**701,087**	**(1,205,047)**	**(916,940)**	**4,159,656**
Additions	**194,371**	**8,750**	**6,788,000**	**–**	**–**	**6,991,121**
Disposals	**(2,261)**	**–**	**(5,705,073)**	**–**	**–**	**(5,707,334)**
Fair value changes	**142,830**	**900**	**11,875**	**(18,623)**	**19,784**	**156,766**
Losses attributable to changes in credit risk recognised in other comprehensive loss	**–**	**–**	**–**	**(3,848)**	**–**	**(3,848)**
Foreign currency translation	**(16,425)**	**(1,063)**	**–**	**5,074**	**–**	**(12,414)**
At 30 June 2025	**5,532,875**	**374,783**	**1,795,889**	**(1,222,444)**	**(897,156)**	**5,583,947**
(Unaudited)						
At 1 January 2024	5,766,378	348,755	521,805	(1,144,805)	(530,471)	4,961,662
Additions	112,814	14,051	1,679,000	–	(272,272)	1,533,593
Disposals	(10,140)	(4,452)	(1,489,599)	–	–	(1,504,191)
Fair value changes	(8,024)	(4,184)	12,794	(12,101)	17,643	6,128
Losses attributable to changes in credit risk recognised in other comprehensive loss	–	–	–	(5,017)	–	(5,017)
Foreign currency translation	20,252	1,530	–	(7,180)	–	14,602
At 30 June 2024	5,881,280	355,700	724,000	(1,169,103)	(785,100)	5,006,777

For the Six Months Ended 30 June 2025

4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements using significant unobservable inputs (level 3) (continued)

(i) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

	At 30 June 2025 (Unaudited)			
Description	Fair Value RMB'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Assets:				
Debt instruments – Unlisted entities	3,365,379	Expected volatility	35.93%-69.27%	A shift of the expected volatility by +/- 5% results in a (decrease)/increase in FV of RMB(13,090,000)/RMB13,112,000
		Risk-free rate	1.30%-4.43%	A shift of the risk-free rate by +/- 5% results in a (decrease)/increase in FV of RMB 861,000
		DLOM	30%	A shift of the DLOM by +/- 5% results in a (decrease)/increase in FV of RMB(50,133,000)/RMB49,924,000
Debt instruments – Fund	854,310	Net assets per unit	0.98-3.20	A shift of the net assets per unit by +/- 5% results in an increase/(decrease) in FV of RMB42,716,000
Debt instruments – Investments in bonds	1,313,186	Expected rate of return	3.71%-3.92%	A change in the expected rate of return by +/- 50 bps would increase/(decrease) the FV by RMB20,987,000/RMB(41,743,000)
Equity instruments – unlisted entities	374,783	DLOM	30%	A shift of the DLOM by +/- 5% results in a (decrease)/increase in FV of RMB2,547,000
Wealth management product	1,795,889	Expected rate of return	1.5%-2.15%	A change in the expected rate of return by 50 bps would increase/decrease the FV by RMB3,505,000
Liabilities:				
Net asset value of investment funds attributable to limited partners	897,156	Net assets per unit	0.91-1.07	A shift of the net assets per unit by +/- 5% results in an increase/decrease in FV of RMB44,858,000
Preferred shares issued by a subsidiary	1,222,444	Expected volatility	49.36%	A shift of the expected volatility by +/- 5% results in a change in FV of RMB (1,552,000)/RMB1,594,000
		Risk-free rate	3.70%	A shift of the risk-free rate by +/- 5% results in a change in FV of RMB (368,000)/RMB 369,000

4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements using significant unobservable inputs (level 3) (continued)

(ii) Valuation processes

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once every half year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary. The Group engaged an independent valuer to assist them on valuation of non-current unlisted debt investments and unlisted equity investments with derivatives.

5 SEGMENT INFORMATION

The Company develops software and hardware products for different industry verticals based on the same AI infrastructure platform and model training framework. The technologies and nature of the products of different business lines are substantially similar. The executive directors of the Company, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance did not discrete operating segment financial information and the executive directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

(a) Revenue by geographical areas

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in four principal geographical areas of the world. The following table shows the Group's total consolidated revenue by location of the customers during the six months ended 30 June 2025:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Mainland China	**2,176,347**	1,418,730
Northeast Asia	**61,356**	222,557
Southeast Asia	**21,043**	39,608
Others*	**99,452**	58,822
	2,358,198	1,739,717

* Other geographical areas mainly represented Hong Kong China and Middle East.

For the Six Months Ended 30 June 2025

5 SEGMENT INFORMATION (CONTINUED)

(b) Non-current assets by geographical areas

The total of the non-current assets including property, plant and equipment, right-of-use assets, investment properties and intangible assets as at 30 June 2025, broken down by the location of the assets, is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Mainland China	**7,997,879**	7,588,715
Northeast Asia	**42,345**	42,673
Southeast Asia	**10,842**	3,941
Others	**118,349**	120,083
	8,169,415	7,755,412

6 REVENUE

(a) Information about major customers

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

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Percentage of revenue from the major customers to the total revenue of the Group		
Client A	**40.3%**	–
Client B	*	23.5%
Client C	*	16.4%
Client D	*	10.4%

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

6 REVENUE (CONTINUED)

(b) Disaggregation of revenue

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
– recognised point in time	**1,988,135**	1,397,365
– recognised over time	**370,063**	342,352
	2,358,198	1,739,717

(c) During the six months ended 30 June 2025, the Group determines revenue should be reported on a gross or net basis based on principal/agent assessment and revenue was primarily reported on a gross basis.

(d) Contract assets

The Group has recognised the following contract assets with customers:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Current assets	**23,618**	6,906
Loss allowance	**(3,769)**	(1,189)
	19,849	5,717
Non-current assets	**17,955**	25,836
Loss allowance	**(2,866)**	(4,450)
	15,089	21,386
	34,938	27,103

For the Six Months Ended 30 June 2025

6 REVENUE (CONTINUED)

(e) Contract liabilities

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Current		
Deferred service fee income (i)	**13,005**	19,608
Advances from customers	**320,736**	257,305
	333,741	276,913
Non-current		
Deferred service fee income (i)	**55,481**	54,478

(i) Deferred service fee income represented the maintenance and upgrade service obligations separated from the revenue contracts.

7 EXPENSES BY NATURE

The expenses charged to cost of sales, selling expenses, administrative expenses and research and development expenses are analysed below:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Employee benefit expenses (a)	**1,486,608**	1,709,503
Hardware costs and project subcontracting service fees	**1,244,813**	773,156
Depreciation and amortization (Note 14, Note 15 and Note 17)	**637,336**	704,808
Server operation and cloud based service fees	**574,032**	176,257
Professional service and other consulting fees	**212,122**	293,292
Utilities, property management and administrative expenses	**88,008**	90,955
Data labelling fees	**79,290**	28,894
Marketing, conference and travelling expenses	**67,963**	99,109
Taxes and surcharges	**22,537**	11,673
Research and development tools and consumables	**7,942**	15,460
Other expenses	**17,598**	26,170
Total	**4,438,249**	3,929,277

(a) During the six months ended 30 June 2025, employee benefits expenses included share-based compensation expenses of approximately RMB153,250,000 (for the six months ended 30 June 2024: RMB125,491,000) (Note 29(c)).

8 OTHER INCOME

	Six months ended 30 June	
	2025 **RMB'000** **(Unaudited)**	2024 RMB'000 (Unaudited)
Government grants		
– Financial subsidies (i)	**118,395**	101,665
– Tax refund (ii)	**3,790**	4,814
Dividend received	**6,789**	2,257
	128,974	108,736

(i) Governments grants received during the period primarily comprised the financial subsidies received from various local government authorities in the mainland China, Hong Kong China and other regions. There are no unfulfilled conditions or contingencies relating to these incomes.

(ii) During the six months ended 30 June 2025, the Group sold self-developed software products to its customers. The value-added taxes ("VAT") was collected at a tax rate of 13% starting from April 2019 and the refund-upon-collection policy was applied to self-developed software products which is typically the portion of VAT actually paid that exceeds 3% of the revenue. The Group recorded the refunded VAT as "other income" when it obtained approvals from the local tax authorities and received the refunds.

9 OTHER GAINS/(LOSSES) – NET

	Six months ended 30 June	
	2025 **RMB'000** **(Unaudited)**	2024 RMB'000 (Unaudited)
Fair value losses on financial assets at fair value through profit or loss (Note 23(d))	**(155,264)**	(10,897)
Fair value changes on net asset value of investment funds attributable to limited partners (Note 28(d))	**19,784**	17,643
Gains/(Losses) on disposal of subsidiaries (i)	**937,640**	(33,236)
Net foreign exchange losses	**(168,990)**	(25,700)
Losses on disposal of property, plant and equipment	**(10,177)**	(1,712)
Debt forgiveness	**14,324**	–
Others	**3,299**	865
	640,616	(53,037)

(i) During the six months ended 30 June 2025, the Group disposed its interests in certain subsidiaries to third parties and lost control over these subsidiaries and they became associates of the Group. The Group recognised net gains amounted to RMB937,640,000 based on cash consideration of RMB50,000,000, the fair value of the Group's equity interest in these associates amounted to RMB820,000,000 on disposal date and the carrying amount of net liabilities of these subsidiaries amounted to RMB67,640,000 on disposal date.

For the Six Months Ended 30 June 2025

10 FINANCE INCOME – NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income	**126,268**	102,501
Accretion income for long-term receivables	**1,856**	6,372
Gain from remeasurement of put option liability	**–**	241,280
Finance income	**128,124**	350,153
Finance costs		
Interest expenses on bank borrowings	**(91,197)**	(80,890)
Interest and finance charges paid/payable for lease liabilities (Note 15(b))	**(5,189)**	(5,221)
Interest expenses on long-term payables	**–**	(398)
Amount capitalized (i)	**7**	645
Finance costs expensed	**(96,379)**	(85,864)
Finance income – net	**31,745**	264,289

(i) The capitalization rate used to determine the amount of borrowing costs to be capitalized is 3.69% (for the six months ended 30 June 2024: 3.42%).

11 INCOME TAX (EXPENSES)/CREDIT

(i) Cayman Islands

The Company was redomiciled to the Cayman Islands in 2014 as an exempted company with limited liability, and is exempted from Cayman Islands income tax under the current tax laws of the Cayman Islands. In addition, no Cayman Islands withholding tax is imposed upon any payments of dividends.

(ii) British Virgin Islands

Under the current laws of the British Virgin Islands, entities incorporated in British Virgin Islands are not subject to tax on their income or capital gains.

(iii) Hong Kong China

Hong Kong profits tax had been provided for at the rate of 8.25% for assessable profits of the first HKD 2 million and 16.5% for any assessable profits in excess of HKD 2 million. (for the six months ended 30 June 2024: 16.5%).

(iv) Singapore

Entities incorporated in Singapore are subject to income tax at a rate of 17% for the six months ended 30 June 2025 (for the six months ended 30 June 2024: 17%).

(v) Malaysia

Malaysia income tax rate is 24% during the six months ended 30 June 2025 (for the six months ended 30 June 2024: 24%). In the case that the paid-up capital is Malaysian Ringgit ("MYR") 2.5 million or less, and the gross income from business is not more than MYR50 million, the income tax rate on the first MYR0.15 million chargeable income is 15%, the income tax rate on the next MYR0.45 million chargeable income is 17% and the part in excess of MYR0.6 million is 24%.

(vi) Saudi Arabia

Enterprises incorporated in Saudi Arabia are subject to income tax rate of 20% for the six months ended 30 June 2025 (for the six months ended 30 June 2024: 20%).

(vii) The United Arab Emirates

Enterprises incorporated in the United Arab Emirates are subject to UAE corporate tax at a rate of 9% where the taxable income exceeding AED0.375 million for the six months ended 30 June 2025 (for the six months ended 30 June 2024: 9%).

11 INCOME TAX (EXPENSES)/CREDIT (CONTINUED)

(viii) PRC corporate income tax ("CIT")

The income tax provision of the Group in respect of its operations in the Mainland China was subject to statutory tax rate of 25% on the assessable profits for the six months ended 30 June 2025 (for the six months ended 30 June 2024: 25%), based on the existing legislation, interpretations and practices in respect thereof.

Beijing SenseTime Technology Development Co., Ltd. ("Beijing SenseTime"), Shanghai SenseTime Intelligent Technology Co., Ltd. ("Shanghai SenseTime"), Shanghai Sensetime Shancui Medical Technology Co., Ltd., Shenzhen SenseTime Technology Co., Ltd., Shanghai Lingang SenseAuto Intelligent Technology Co., Ltd., Shanghai SenseTime Technology Development Co., Ltd. and Shenzhen Tetras.AI Technology Co., Ltd. were entitled to a preferential income tax rate of 15% in 2025. These subsidiaries were qualified as "High and New Technology Enterprises" ("HNTEs") under the relevant PRC laws and regulations or were registered in applicable special zones. These entities reapply for HNTEs status every three years.

(ix) PRC Withholding Tax ("WHT")

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong China meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong China, the relevant withholding tax rate will be reduced from 10% to 5%.

During the six months ended 30 June 2025, no deferred income tax liability on WHT was accrued as at the end of each reporting period because the subsidiaries of the Group were primarily loss making in these periods (for the six months ended 30 June 2024: nil).

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	**(9,996)**	(24,523)
Deferred income tax (Note 19)	**(25,991)**	28,515
Income tax (expenses)/credit	**(35,987)**	3,992

12 LOSS PER SHARE

Basic

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

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Loss attributable to equity holders of the Company (RMB'000)	**(1,477,949)**	(2,456,782)
Weighted average number of ordinary shares in issue (thousand)	**36,109,541**	32,441,299
Basic loss per share (expressed in RMB per share)	**(0.04)**	(0.08)

Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 June 2025, the Company has three categories of dilutive potential ordinary shares: preferred shares issued by a subsidiary of the Company, restricted share units ("RSUs") and share options. As the Group incurred losses for the six months ended 30 June 2025, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilution. Accordingly, diluted loss per share for the six months ended 30 June 2025 is the same as basic loss per share of the respective period (for the six months ended 30 June 2024: same as basic loss per share of the respective period).

13 DIVIDENDS

No dividend had been declared or paid by the Company during the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil).

For the Six Months Ended 30 June 2025

14 PROPERTY, PLANT AND EQUIPMENT

	Buildings and facilities[(a)] RMB'000	Property improvement RMB'000	Large-scale electronic equipment RMB'000	Computers and related equipment RMB'000	Office equipment and furniture RMB'000	Transportation equipment and vehicles RMB'000	Other equipment RMB'000	Construction in progress RMB'000	Total RMB'000
At 31 December 2024									
Cost	4,764,221	558,058	4,461,218	819,139	65,039	63,396	39,338	31,954	10,802,363
Accumulated depreciation	(407,583)	(324,360)	(2,123,370)	(575,105)	(38,949)	(41,393)	(14,211)	–	(3,524,971)
Net book amount	4,356,638	233,698	2,337,848	244,034	26,090	22,003	25,127	31,954	7,277,392
(Unaudited)									
Six months ended 30 June 2025									
Opening net book amount	4,356,638	233,698	2,337,848	244,034	26,090	22,003	25,127	31,954	7,277,392
Additions	273	2,947	1,026,587	84,060	351	–	224	121,797	1,236,239
Internal transfer	–	3,950	–	650	–	3,903	–	(8,503)	–
Transfer to investment properties (Note 16)	(2,503,101)	–	–	–	–	–	–	–	(2,503,101)
Disposals	–	–	(202,333)	(24,806)	(642)	(804)	(143)	(3,284)	(232,012)
Depreciation charge	(66,701)	(36,310)	(316,187)	(74,343)	(4,437)	(4,444)	(2,451)	–	(504,873)
Currency translation differences	1,150	43	(42)	218	18	212	858	–	2,457
Closing net book amount	1,788,259	204,328	2,845,873	229,813	21,380	20,870	23,615	141,964	5,276,102
At 30 June 2025									
Cost	2,123,083	564,998	5,125,713	859,607	62,374	57,913	39,868	141,964	8,975,520
Accumulated depreciation	(334,824)	(360,670)	(2,279,840)	(629,794)	(40,994)	(37,043)	(16,253)	–	(3,699,418)
Net book amount	1,788,259	204,328	2,845,873	229,813	21,380	20,870	23,615	141,964	5,276,102

(a) As at 30 June 2025, certain buildings with carrying amount of RMB1,574,953,000 (31 December 2024: RMB4,142,979,000) were pledged as collaterals for the Group's borrowings (Note 31).

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) During the six months ended 30 June 2025, depreciation charges were expensed off in the following categories in the interim condensed consolidated income statement:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of sales	**87,095**	104,568
Selling expenses	**7,115**	9,010
Administrative expenses	**95,991**	105,615
Research and development expenses	**314,672**	305,520
	504,873	524,713

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets includes leased buildings and land use right.

(a) Amounts recognised in the interim condensed consolidated balance sheet

The interim condensed consolidated balance sheet show the following amounts relating to leases:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	RMB'000
	(Unaudited)	
Right-of-use assets		
Leased buildings	**195,939**	177,659
Land use right (i)	**61,134**	61,811
	257,073	239,470
Lease liabilities		
Current	**64,577**	97,276
Non-current	**143,406**	99,259
	207,983	196,535

(i) As at 30 June 2025, all land use right was pledged as collaterals for the Group's borrowings (Note 31).

For the Six Months Ended 30 June 2025

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(b) Amounts recognised in the interim condensed consolidated income statement

The interim condensed consolidated income statement show the following amounts relating to leases:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation charge of right-of-use assets		
Leased buildings	**45,857**	72,982
Land use right	**677**	677
	46,534	73,659
Interest expense (included in finance income – net)	**5,189**	5,221

The total cash outflow for leases for the six months ended 30 June 2025 was RMB105,074,000 (for the six months ended 30 June 2024: RMB141,445,000).

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

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

	Leased buildings RMB'000	Land use right RMB'000	Total RMB'000
At 31 December 2024			
Cost	631,129	67,674	698,803
Accumulated depreciation	(453,470)	(5,863)	(459,333)
Net book amount	177,659	61,811	239,470
(Unaudited)			
Six months ended 30 June 2025			
Opening net book amount	**177,659**	**61,811**	**239,470**
Additions	**82,560**	**–**	**82,560**
Termination	**(18,512)**	**–**	**(18,512)**
Depreciation charge	**(45,857)**	**(677)**	**(46,534)**
Currency translation differences	**89**	**–**	**89**
Closing net book amount	**195,939**	**61,134**	**257,073**
At 30 June 2025			
Cost	**479,392**	**67,674**	**547,066**
Accumulated depreciation	**(283,453)**	**(6,540)**	**(289,993)**
Net book amount	**195,939**	**61,134**	**257,073**

During the six months ended 30 June 2025, depreciation charges were expensed off in the following categories in the interim condensed consolidated income statement:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of sales	**171**	1,612
Selling expenses	**–**	710
Administrative expenses	**42,257**	68,822
Research and development expenses	**4,106**	2,515
	46,534	73,659

For the Six Months Ended 30 June 2025

16 INVESTMENT PROPERTIES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
At beginning of the period	–	–
Transfer from Property, plant and equipment (Note 14)	2,503,101	–
Revaluation gains upon transfer from property, plant and equipment (included in other comprehensive loss)	4,744	–
Fair value changes	–	–
At end of the period	2,507,845	–

As at 30 June 2025, investment properties with net book value of RMB2,507,845,000 were pledged as collateral for the Group's bank borrowings.

The Group's investment properties were valued at transfer dates, and at 30 June 2025, respectively, by an external independent valuer. For all investment properties, their current use equates the highest and best use.

The Group's policy is to recognise change of fair value hierarchy levels as of the date of the event or change in circumstances that caused the change. At 30 June 2025, the Group only had investment properties measured at level 3 valuation.

16 INVESTMENT PROPERTIES (CONTINUED)

(a) Valuation inputs and relationships to fair value

	Fair value as at 30 June 2025	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Investment properties	2,507,845	Market price	Adjusted market price (RMB'000/m^2)	56-64

(b) Leasing arrangements

The investment properties are leased to tenants under operating leases, with rentals payable monthly. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

Minimum lease payments receivable on leases of investment properties are as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Unaudited)
Within 1 year	**49,066**	–
Between 1-2 years	**60,685**	–
Between 2-3 years	**60,079**	–
Later than 3 years	**108,653**	–
	278,483	–

For the Six Months Ended 30 June 2025

17 INTANGIBLE ASSETS

	Patents	Trademarks	Computer software	Licensed intellectual properties	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024					
Cost	74,416	22	685,051	43,169	802,658
Accumulated amortisation and impairment	(74,416)	(20)	(455,500)	(34,172)	(564,108)
Net book amount	–	2	229,551	8,997	238,550
(Unaudited)					
Six months ended 30 June 2025					
Opening net book amount	**–**	**2**	**229,551**	**8,997**	**238,550**
Additions	**–**	**–**	**39,741**	**–**	**39,741**
Disposals	**–**	**–**	**(58,084)**	**(5,458)**	**(63,542)**
Amortisation charge	**–**	**(2)**	**(82,794)**	**(3,133)**	**(85,929)**
Currency translation differences	**–**	**–**	**(425)**	**–**	**(425)**
Closing net book amount	**–**	**–**	**127,989**	**406**	**128,395**
At 30 June 2025					
Cost	**74,416**	**22**	**644,696**	**37,711**	**756,845**
Accumulated amortisation and impairment	**(74,416)**	**(22)**	**(516,707)**	**(37,305)**	**(628,450)**
Net book amount	**–**	**–**	**127,989**	**406**	**128,395**

During the six months ended 30 June 2025, amortization charges were expensed off in the following categories in the interim condensed consolidated income statement:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of sales	**210**	211
Selling expenses	**415**	1,177
Administrative expenses	**19,885**	36,788
Research and development expenses	**65,419**	68,260
	85,929	106,436

18 OTHER NON-CURRENT ASSETS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Advance payment for purchase of property, plant and equipment and intangible assets	141,814	58,119
Advance payment for purchase of services	542,402	641,438
	684,216	699,557

19 DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Deferred income tax assets:		
– to be recovered within 12 months	456,575	484,403
– to be recovered after more than 12 months	293,834	288,300
Offset by deferred income tax liabilities	(34,777)	(28,940)
Net deferred income tax assets	715,632	743,763
Deferred income tax liabilities:		
– to be recovered after more than 12 months	(48,366)	(45,461)
Offset by deferred income tax assets	34,777	28,940
Net deferred income tax liabilities	(13,589)	(16,521)

19 DEFERRED INCOME TAX (CONTINUED)

The gross movements on the deferred income tax account is as follows:

Deferred income tax assets	Tax losses carried forward RMB'000	Impairment provision on assets RMB'000	Unrealised profit RMB'000	Fair value changes on financial assets carried at FVPL RMB'000	Lease liabilities RMB'000	Others RMB'000	Total RMB'000
(Unaudited)							
At 1 January 2025	**244,993**	**482,247**	**–**	**–**	**23,843**	**21,620**	**772,703**
(Charged)/Credit to the interim condensed consolidated income statement	**1,120**	**(27,826)**	**–**	**–**	**2,922**	**(488)**	**(24,272)**
Currency translation differences	**–**	**105**	**–**	**–**	**–**	**1,873**	**1,978**
At 30 June 2025	**246,113**	**454,526**	**–**	**–**	**26,765**	**23,005**	**750,409**
(Unaudited)							
At 1 January 2024	249,346	460,676	506	475	38,024	15,476	764,503
(Charged)/Credit to the interim condensed consolidated income statement	(12,642)	40,695	(285)	(475)	3,118	(3,679)	26,732
Currency translation differences	(4,722)	(1,326)	–	–	–	–	(6,048)
At 30 June 2024	231,982	500,045	221	–	41,142	11,797	785,187

Deferred income tax liabilities	Fair value changes on financial assets carried at FVPL RMB'000	Right-of-use assets RMB'000	Investment properties RMB'000	Total RMB'000
(Unaudited)				
At 1 January 2025	**(21,537)**	**(23,924)**	**–**	**(45,461)**
Credit/(Charged) to the interim condensed consolidated income statement	**1,435**	**(3,154)**	**–**	**(1,719)**
Charged to other comprehensive income	**–**	**–**	**(1,186)**	**(1,186)**
At 30 June 2025	**(20,102)**	**(27,078)**	**(1,186)**	**(48,366)**
(Unaudited)				
At 1 January 2024	(10,383)	(39,063)	–	(49,446)
Credit/(Charged) to the interim condensed consolidated income statement	4,174	(2,391)	–	1,783
At 30 June 2024	(6,209)	(41,454)	–	(47,663)

20 INVENTORIES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Purchased hardware and components	**137,865**	223,952
Contract fulfilment cost	**321,457**	236,717
	459,322	460,669
Less: allowance for impairment of inventories	**(8,360)**	(8,362)
	450,962	452,307

The provision for impairment of inventories recorded as cost of sales for the six months ended 30 June 2025 was RMB 13,864,000 (for the six months ended 30 June 2024: RMB16,328,000).

For the Six Months Ended 30 June 2025

21 TRADE, OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Notes receivables	**74,876**	70,206
Provision for impairment	**(49,032)**	(49,033)
	25,844	21,173
Trade receivables		
– Due from related parties (Note 33(c))	**113,054**	13,852
– Due from third parties	**6,483,554**	6,959,714
Gross trade receivables	**6,596,608**	6,973,566
Provision for impairment	**(4,469,013)**	(4,581,875)
	2,127,595	2,391,691
Other receivables		
– Refundable deposits	**65,513**	81,565
– Loans to related parties (Note 33(c))	**37,995**	114,430
– Others	**593,684**	623,118
Gross other receivables	**697,192**	819,113
Provision for impairment	**(331,191)**	(396,712)
	366,001	422,401
Prepayments	**1,443,960**	1,448,577
Input VAT to be deducted	**755,932**	784,115
Total trade, other receivables and prepayments	**4,719,332**	5,067,957

21 TRADE, OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

The aging analysis of the notes receivables based on date of revenue recognition is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Bank notes receivables		
– Up to 6 months	**25,876**	20,743
Commercial notes receivables		
– Up to 6 months	**–**	463
– Over 1 year	**49,000**	49,000
	74,876	70,206

The credit terms given to trade customers are determined on an individual basis with normal credit period mainly around 90 to 270 days. The aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Up to 6 months	**1,009,248**	863,425
6 months to 1 year	**285,557**	278,411
1 to 2 years	**296,368**	262,468
2 to 3 years	**1,008,443**	1,748,177
More than 3 years	**3,996,992**	3,821,085
	6,596,608	6,973,566

For the Six Months Ended 30 June 2025

22 LONG-TERM RECEIVABLES

Long-term receivables represented: (1) the receivables due for settlement by instalments, which are generally between 1 to 5 years; (2) the refundable deposits with maturity date over 1 year. Long-term receivables contains significant financing components. Accordingly, these receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest method. The portion due for settlement within 1 year is reclassified to trade receivables. The balance of long-term receivables were analysed in the following table.

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Payment by installment sales contract	**5,205**	270,221
Refundable deposits due after one year	**23,982**	33,422
Less: due within one year	**(2,169)**	(265,952)
	27,018	37,691
Less: provision for impairment	**(1,529)**	(2,388)
	25,489	35,303

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

The Group classified the following financial assets at FVPL:

— Debt investments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income;

— Equity investments that are held for trading; and

— Equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income.

Financial assets mandatorily measured at FVPL include the following:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Non-current assets		
Debt investments (a)		
– Unlisted entities	**3,365,379**	3,196,029
– Investments in bonds	**1,313,186**	1,270,576
– Fund	**854,310**	747,755
Equity investments (b)		
– Listed entities	**199,591**	782,940
– Unlisted entities	**374,783**	366,196
	6,107,249	6,363,496
Current assets		
Wealth management products (c)	**1,795,889**	701,087
	7,903,138	7,064,583

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Debt investments

The movement of the debt investments during the six months ended 30 June 2025 is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At beginning of the period	**5,214,360**	5,766,378
Additions	**194,371**	112,814
Disposals	**(2,261)**	(10,140)
Fair value changes	**142,830**	(8,024)
Currency translation differences	**(16,425)**	20,252
At end of the period	**5,532,875**	5,881,280

The Group made investments in various industry companies in the form of convertible redeemable preferred shares, ordinary shares with preferential rights and convertible loans. The Group has the right to require and demand the investees to redeem all of the investments held by the Group at guaranteed predetermined amount upon redemption events which are out of control of the investees. Hence these investments are accounted for as debt instruments and are measured as financial assets at fair value through profit or loss. In addition, the Group also made investments in certain investment funds as a limited partner, these investments were included in debt investments, depending on the investment contract terms.

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(b) Equity investments

The movement of the equity investments during the six months ended 30 June 2025 is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At beginning of the period	**1,149,136**	761,097
Additions	**50,579**	64,051
Disposals	**(338,783)**	(15,967)
Fair value changes	**(284,812)**	(15,667)
Currency translation differences	**(1,746)**	307
At end of the period	**574,374**	793,821

The fair values of the listed securities are determined based on the closing price quoted in active markets. The fair values of the unlisted securities are measured using a valuation technique with unobservable inputs.

(c) Wealth management products

The wealth management products were non-principal protected with maturity of less than 1 year.

The movement of the wealth management products during the six months ended 30 June 2025 is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At beginning of the period	**701,087**	521,805
Additions	**6,788,000**	1,679,000
Redemptions	**(5,655,073)**	(1,489,599)
Disposal of subsidiary	**(50,000)**	–
Fair value changes	**11,875**	12,794
At end of the period	**1,795,889**	724,000

For the Six Months Ended 30 June 2025

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(d) Amounts recognised in the interim condensed consolidated income statement

During the six months ended 30 June 2025, the following gains/(losses) were recognised in the interim condensed consolidated income statement:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fair value gains/(losses) on investments in:		
– Debt investments	**142,830**	(8,024)
– Equity investments	**(284,812)**	(15,667)
– Derivative financial instruments	**(25,157)**	–
– Wealth management products	**11,875**	12,794
	(155,264)	(10,897)

24 DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2025	
	Assets	**Liabilities**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Foreign currency forward contract	**–**	**28,469**
Foreign currency swap contract	**3,580**	**–**

	As at 31 December 2024	
	Assets	Liabilities
	RMB'000	RMB'000
Foreign currency forward contract	–	–
Foreign currency swap contract	–	–

25 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TERM DEPOSITS

(a) Cash and cash equivalents

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000
Cash at bank and in hand	**11,362,475**	12,051,121
Less: Restricted cash (b)	**(194,100)**	(192,627)
Less: term deposits with initial term of over three months (c)	**–**	(2,970,506)
Cash and cash equivalents	**11,168,375**	8,887,988

(b) Restricted cash

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000
Non-current		
Security deposit (Note 31)	**–**	40,933
Performance security	**10,361**	10,278
Others	**206**	206
	10,567	51,417
Current		
Security deposit (Note 31)	**163,447**	120,581
Performance security	**19,555**	16,812
Others	**531**	3,817
	183,533	141,210
	194,100	192,627

(c) Term deposits were deposits with initial terms of over three months and those with maturity date over 1 year were disclosed in non-current assets.

For the Six Months Ended 30 June 2025

26 SHARE CAPITAL

Authorised:

	Number of ordinary shares
At 1 January 2024, 2025 and 30 June 2024, 2025	**2,000,000,000,000**

Issued:

	Number of shares	Share capital RMB'000
At 1 January 2025 and 30 June 2025 (Unaudited)	**37,007,371,000**	**6**
At 1 January 2024	33,468,925,000	5
Placing of ordinary shares	1,673,446,000	1
At 30 June 2024 (Unaudited)	35,142,371,000	6

As at 30 June 2025, the ordinary shares of the Company represented two classes as follows:

	As at 30 June 2025 Number of shares (Unaudited)	As at 31 December 2024 Number of shares
Class A ordinary shares	**614,034,470**	614,034,470
Class B ordinary shares	**36,393,336,530**	36,393,336,530
	37,007,371,000	37,007,371,000

27 OTHER RESERVES

	Shares held for share award scheme RMB'000	Share premium RMB'000	Share-based compensation expenses RMB'000	Other comprehensive loss reserve RMB'000	Others RMB'000	Total RMB'000
(Unaudited)						
At 1 January 2025	*	76,433,872	581,543	(14,544)	(930,969)	76,069,902
Share-based compensation expenses (Note 29)	–	–	153,250	–	–	153,250
Recognition of financial instruments with preferred rights at amortised cost (Note 28(c))	–	–	–	–	(62,500)	(62,500)
Treasury shares issued to employees (a)	–	128,448	(92,896)	–	–	35,552
Transactions with non-controlling interests	–	–	–	–	40,000	40,000
Revaluation gains upon transfer from property, plant and equipment (b)	–	–	–	3,558	–	3,558
Changes in credit risk for financial liabilities designated as at fair value through profit or loss	–	–	–	(3,848)	–	(3,848)
At 30 June 2025	*	76,562,320	641,897	(14,834)	(953,469)	76,235,914
(Unaudited)						
At 1 January 2024	*	71,740,498	633,706	(6,902)	(700,880)	71,666,422
Share-based compensation expenses (Note 29)	–	–	125,491	–	–	125,491
Recognition of financial instruments with preferred rights at amortised cost (Note 28(c))	–	–	–	–	(11,400)	(11,400)
Treasury shares issued to employees (a)	*	107,936	(81,176)	–	–	26,760
Placing of ordinary shares (Note 26)	–	1,815,598	–	–	–	1,815,598
Purchase of ordinary shares for share award scheme	–	–	–	–	(13,530)	(13,530)
Transactions with non-controlling interests	–	–	–	–	(31,585)	(31,585)
Changes in credit risk for financial liabilities designated as at fair value through profit or loss	–	–	–	(5,017)	–	(5,017)
At 30 June 2024	*	73,664,032	678,021	(11,919)	(757,395)	73,572,739

* represents that the amount is less than RMB1,000 for respective period.

(a) Unvested shares held by the SenseTalent Management Limited are disclosed as treasury shares and deducted from equity attributable to the Company's equity holders. As at 30 June 2025, 820,536,000 treasury shares in SenseTalent Management Limited have not been issued to employees. (31 December 2024: 874,830,000)

(b) The revaluation gains arising from the transfer from property, plant and equipment to investment properties at the transfer date is accounted to other comprehensive loss reserve and deferred income tax liabilities respectively.

For the Six Months Ended 30 June 2025

28 PREFERRED SHARE AND OTHER FINANCIAL LIABILITIES

As at 30 June 2025, the preferred share and other financial liabilities included:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Restated)
Preferred share liabilities issued by a subsidiary (a)	**1,222,444**	1,205,047
Net asset value of investment funds attributable to limited partners (b)	**897,156**	916,940
Financial instruments with preferred rights at amortised cost (c)	**209,426**	186,926
Total preferred share and other financial liabilities	**2,329,026**	2,308,913
Including:		
Current portion	**1,222,444**	1,205,047
Non-current portion	**1,106,582**	1,103,866
	2,329,026	2,308,913

(a) Preferred share liabilities issued by a subsidiary

On 22 September 2021, SenseMeet Investment limited ("SenseMeet") and a sovereign wealth fund of the Government of Saudi Arabia ("Fund A") signed a joint venture agreement to set up SenseTime MEA Ltd. (formerly named "SenseWonder Technology Limited", "SenseTime MEA"). 51 ordinary shares and 49 convertible preferred shares were issued to SenseMeet and Fund A respectively. The consideration for subscription of preferred shares by Fund A shall be paid in two tranches, first tranche consideration amounted to USD155,000,000 and second tranche amounted to USD52,000,000 when certain conditions are satisfied. No more consideration was received during the six months ended 30 June 2025. Pursuant to the agreement, Fund A was also granted a put option to require SenseMeet to acquire all its preferred shares in SenseTime MEA on the occurrence of some certain events. The preferred shares issued to Fund A has dividends and conversion rights. Fund A has a preferential dividend rate of eight percent (8%) upon liquidation event or an exercise of its put option. Accordingly, the investment by Fund A to SenseTime MEA are recognised as preferred share liability at FVPL.

28 PREFERRED SHARE AND OTHER FINANCIAL LIABILITIES (CONTINUED)

(b) Net asset value of investment funds attributable to limited partners

In August 2021, the Group established Beijing Guoxiang Shangheng Equity Investment Fund Partnership (limited partnership), as a limited partnership with an 8-year life, together with ten limited partners for strategic investment. As at 30 June 2025, the Group has already received RMB660,344,000 (31 December 2024: RMB660,344,000) capital injection from these limited partners.

In February 2022, the Group established Shenzhen Chengsi Consulting Management Partnership (limited partnership) , together with a limited partner for strategic investment. As at 30 June 2025, the Group has already received RMB15,000,000 (31 December 2024: RMB15,000,000) capital injection from the limited partner.

In November 2023, the Group established Jiujiang Youdi Technology Industry Investment Partnership (limited Partnership), together with a limited partner for strategic investment. As at 30 June 2025, the Group has already received RMB100,500,000(31 December 2024: RMB100,500,000) capital injection from the limited partner.

In January 2024, the Group established Hefei Chenglin Enterprise Management Consulting Partnership Enterprise (limited partnership) , together with a limited partner for strategic investment. As at 30 June 2025, the Group has already received RMB2,000,000(31 December 2024: RMB2,000,000) capital injection from the limited partner.

In November 2024, the Group established Anhui Chengtang Shuzhi Creative Equity Investment Fund Partnership Enterprise (limited partnership) Partnership (limited Partnership), together with three limited partners for strategic investment. As at 30 June 2025, the Group has already received RMB140,000,000(31 December 2024: RMB140,000,000) capital injection from these limited partners.

The Group designated the net asset value of investment funds attributable to limited partners as financial liabilities at fair value through profit or loss.

For the Six Months Ended 30 June 2025

28 PREFERRED SHARE AND OTHER FINANCIAL LIABILITIES (CONTINUED)

(c) Financial instruments with preferred rights at amortised cost

The financial instruments with preferred rights represent the paid-in capital and capital reserve of certain subsidiaries received from the certain non-controlling shareholders ("Investors"). The Group recognised the financial instruments with preferred rights as financial liabilities considering that the triggering events for the redemption rights are out of the control of the Group and these financial instruments do not meet the definition of equity for the Group. The financial liabilities were initially measured at fair value and subsequently measured at amortised cost. The fair value for initial recognition represented the present value of the amount expected to be paid to the Investors upon redemption which was assumed at the dates of issuance of the financial instruments. Interests from the financial instruments were charged to finance cost.

During the six months ended 30 June 2025, these subsidiaries of the Group received capital injection with total consideration of RMB62,500,000 from the Investors. The Group recognised non-controlling interests of RMB62,500,000 and debited other reserves to reflect the carrying amount of the financial instruments amounted of RMB62,500,000. As at 30 June 2025, the interests from the financial instruments were not material.

(d) Gains/(losses) on the changes in fair value of preferred share and other financial liabilities

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Changes in fair value of preferred shares issued by a subsidiary	**(18,623)**	(12,101)
Losses attributable to changes in credit risk of above financial instruments recognised in other comprehensive loss	**(3,848)**	(5,017)
Changes on net asset value of investment funds attributable to limited partners	**19,784**	17,643

29 SHARE-BASED COMPENSATION PLANS

(a) Share-based compensation plans issued by the Company

Starting from 2016, the board of directors approved the restricted shares plan ("Pre-IPO RSU Plan"), share option plan and Post-IPO restricted shares plan ("2022 RSU Scheme") for the purpose of providing incentive for certain directors, senior management members, employees and any other eligible participants contributing to the Group.

(i) Pre-IPO RSU Plan and 2022 RSU Scheme

On 2 November 2016, 68,697 RSUs were granted to employees and the exercise price of all RSUs was HKD0.7789 per share. Total number of RSUs was 686,970,000 after share split with a ratio of 1:10,000 and the exercise price was HKD0.00007789 on 9 April 2018. As at 30 June 2025 and 31 December 2024, all RSUs were exercised.

During 2025, 311,333,631 RSUs were granted to eligible participants under 2022 RSU Scheme. Movements in the number of restricted shares granted during the six months ended 30 June 2025 are as follows:

	Six months ended 30 June 2025 (Unaudited) Number of RSUs
At beginning of the period	–
Granted	311,333,631
Vested	–
Forfeited	(6,770,798)
At end of the period	304,562,833

The fair value as at the grant date of 2022 RSU Scheme is RMB428,121,000 and determined by the share price of the Group at the grant date.

For the Six Months Ended 30 June 2025

29 SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) Share-based compensation plans issued by the Company (continued)

(ii) Share option plan

Movements in the number of share options granted and their related weighted average exercise price during the six months ended 30 June 2025 are as follows:

	Six months ended 30 June			
	2025 (Unaudited)		2024 (Unaudited)	
	Average exercise price per share option (HKD)	**Number of options**	Average exercise price per share option (HKD)	Number of options
At beginning of the period	**0.63**	**821,007,004**	0.73	793,776,345
Granted	**–**	**–**	0.38	276,542,933
Exercised	**0.71**	**(54,294,051)**	0.42	(69,493,069)
Forfeited	**0.78**	**(51,158,067)**	0.77	(42,463,940)
At end of the period	**0.61**	**715,554,886**	0.65	958,362,269

No options expired during the period covered by the above tables.

As at 30 June 2025, 442,278,879 options were vested but not exercised (30 June 2024: 405,208,448).

29 SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) Share-based compensation plans issued by the Company (continued)

(ii) Share option plan (continued)

Share options outstanding at the end of the period have the following expiry date and exercise prices:

			Number of share options	
Grant date	**Expiry date**	**Exercise price** (HKD)	**30 June 2025 (Unaudited)**	31 December 2024
1 February 2019	1 February 2026	0.78 or 0.22 or *	**11,263,266**	14,182,710
30 June 2019	30 June 2026	0.78	**4,609,444**	6,045,748
1 January 2020	1 January 2027	0.78 or 0.22 or *	**58,032,725**	66,177,616
1 July 2020	1 July 2027	0.78	**1,119,546**	2,095,339
1 January 2021	1 January 2028	0.78 or 0.22 or *	**138,577,287**	156,111,906
1 July 2021	1 July 2028	0.78 or 0.22	**2,522,339**	3,661,952
1 January 2022	1 January 2029	0.78	**40,016,264**	46,227,302
1 July 2022	1 July 2029	0.78	**2,437,620**	3,886,085
13 September 2022	13 September 2029	0.78	**126,957,926**	145,796,387
1 January 2023	1 January 2030	0.78	**11,964,681**	15,495,874
1 April 2023	1 April 2030	0.78	**50,568,900**	63,974,153
1 July 2023	1 July 2030	0.78	**22,461,305**	31,216,413
1 January 2024	1 January 2031	0.78	**49,854,234**	64,874,607
25 April 2024	25 April 2031	0.78 or 0.01	**191,607,004**	197,160,932
28 May 2024	28 May 2031	0.78	**3,562,345**	4,099,980
			715,554,886	821,007,004

* represents that the amount is less than HKD0.01 for respective periods.

29 SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) Share-based compensation plans issued by the Company (continued)

(iii) Fair value estimation of the share options

The fair value as at the grant dates of each of the share-based compensation plans are summarized as follows:

	1 January 2024 RMB'000	25 April 2024 RMB'000	28 May 2024 RMB'000
Share options	46,039	129,146	3,128

Share options

The fair value of the share options is determined by the binomial option-pricing model at the grant date, which is to be expensed over the respective vesting periods. Significant estimates on assumptions, including risk-free interest rate, expected volatility, dividend yield, and terms, are made by the management and third-party valuers. Before listing, the equity allocation method has been applied in the determination of the fair value of each class of the shares in the Company, which requires considering the rights and preferences of each class of shares and back solving for the total equity value that is consistent with a recent transaction in the Company's own securities, considering the rights and preferences of each class of shares.

The directors of the Company estimated the risk-free interest rate based on the yield of curve of US Treasury strips with a maturity life close to the option life of the share option. Expected volatility was estimated at grant date based on average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share option. Time to maturity is based on the term agreements at the grant date.

The fair value of the share options granted have been valued by an independent qualified valuer using the Binomial valuation model as at each grant date. Key assumptions are set as below:

Grant date	Risk-free interest rate	Expected volatility	Time to maturity
1 January 2024	3.09%	52.67%	7 years
25 April 2024	3.80%	53.95%	7 years
28 May 2024	3.69%	53.80%	7 years

29 SHARE-BASED COMPENSATION PLANS (CONTINUED)

(b) Share-based compensation plans issued by the certain subsidiaries

Certain subsidiaries of the Company operate their own share-based compensation plans. Their exercise prices of the share options and the vesting periods of the share options are determined by the Administrative Committee of the Group and in accordance with the relevant rules.

(c) During the six months ended 30 June 2025, the amounts of share-based compensation expenses charged to administrative expenses, research and development expenses and selling expenses are as follow:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Selling expenses	**13,973**	15,044
Administrative expenses	**62,625**	51,018
Research and development expenses	**76,652**	59,429
	153,250	125,491

For the Six Months Ended 30 June 2025

30 TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Notes payables	**2,294**	–
Trade payables		
– Third parties	**592,729**	462,873
– Related parties (Note 33(c))	**7,901**	9,091
Long-term payables due within 1 year	**–**	22,333
Other payables		
– Third parties	**536,295**	539,049
– Related parties (Note 33(c))	**23,041**	7,452
Payables on purchase of property, plant and equipment and intangible assets	**169,285**	269,557
Accrued taxes other than income tax	**27,269**	80,143
Staff salaries and welfare payables	**218,657**	362,926
VAT payables related to contract liabilities	**35,726**	27,334
Accrued warranty expenses	**4,494**	7,996
	1,617,691	1,788,754

Aging analysis of the notes and trade payables based on purchase date at the end of 30 June 2025 are as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Up to 6 months	**382,770**	272,711
6 months to 1 year	**38,519**	12,341
1 to 2 years	**16,624**	68,551
More than 2 years	**165,011**	118,361
	602,924	471,964

31 BORROWINGS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Non-Current		
Bank borrowing – secured	**3,712,124**	3,719,739
Bank borrowing – guaranteed	**1,247,355**	1,133,685
Bank borrowing – unsecured and unguaranteed	**40,000**	40,000
Less: current portion of non-current borrowings	**(872,441)**	(211,960)
	4,127,038	4,681,464
Current		
Short-term bank borrowing – guaranteed	**1,062,366**	473,350
Short-term borrowing – unsecured and unguaranteed	**2,104,840**	550,234
Current portion of non-current borrowings	**872,441**	211,960
Interest payable	**6,251**	4,790
	4,045,898	1,240,334
	8,172,936	5,921,798

31 BORROWINGS (CONTINUED)

Secured bank borrowings

As at 30 June 2025, the Group had non current bank borrowings with carrying amount of RMB126,060,000 which were secured by the Group's restricted deposits of USD20,900,000 (equivalent to RMB 163,447,000) (31 December 2024: bank borrowings with carrying amount of RMB129,360,000 which were secured by the Group's restricted deposits of USD20,900,000 (equivalent to RMB161,514,000)) (Note 25).

As at 30 June 2025, the Group had non current bank borrowings with carrying amount of RMB 1,930,924,000 (31 December 2024: RMB1,930,239,000) which was pledged by equity interest of Shanghai Yuqin Information Technology Co., Ltd. ("Shanghai Yuqin") and joint liability guarantee from Shanghai Yuqin and Shanghai SenseTime. In addition, certain buildings (Note 14(a)) with a carrying amount of RMB983,530,000 and land use right with a carrying amount of RMB61,134,000 (Note 15) (31 December 2024: buildings with a carrying amount of RMB1,013,970,000 and land use right with a carrying amount of RMB61,811,000) respectively were also pledged as collaterals for this bank borrowing.

As at 30 June 2025, the Group had non current bank borrowings with carrying amount of RMB1,655,140,000 which was pledged by certain building with a carrying amount of RMB591,423,000 (Note 14(a)) in property, plant and equipment and RMB2,507,845,000 (Note 16) in investment properties respectively as a collateral for the Group's borrowings (31 December 2024: bank borrowings with carrying amount of RMB1,660,140,000 which was pledged by certain buildings with a carrying amount of RMB3,129,009,000).

Guaranteed bank borrowings

As at 30 June 2025, the Group had non-current bank borrowings with carrying amount of RMB141,000,000 for public rental housing, which was guaranteed by a state-owned property developer before the property registration is ready. After that, this borrowing will be guaranteed by Shanghai SenseTime and be pledged by the public rental housing itself as a collateral (31 December 2024: borrowings with carrying amount of RMB142,000,000).

As at 30 June 2025, the Group had non-current bank borrowings with carrying amount of RMB635,355,000 which were guaranteed by SenseTime Group Limited (31 December 2024: bank borrowings with carrying amount of RMB581,985,000).

As at 30 June 2025, the Group had non-current bank borrowings with carrying amount of RMB109,500,000 which were guaranteed by Beijing SenseTime (31 December 2024: bank borrowings with carrying amount of RMB109,700,000).

As at 30 June 2025, the Group had non-current bank borrowings with carrying amount of RMB 361,500,000 which were guaranteed by Shanghai SenseTime (31 December 2024: bank borrowings with carrying amount of RMB300,000,000).

As at 30 June 2025, the Group had current bank borrowings with carrying amount of RMB1,043,866,000 which were guaranteed by SenseTime Group Limited (31 December 2024: RMB465,350,000 which were guaranteed by SenseTime Group Limited).

31 BORROWINGS (CONTINUED)

Guaranteed bank borrowings (continued)

As at 30 June 2025, the Group had current bank borrowings with carrying amount of RMB18,500,000 which were guaranteed by Shanghai SenseTime (31 December 2024: RMB8,000,000 which were guaranteed by Shanghai SenseTime).

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates of the borrowings at the end of the reporting period are as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
6 months or less	**670,535**	966,915
Between 6 and 12 months	**3,369,112**	268,630
Between 1 and 2 years	**739,152**	1,093,809
Between 2 and 5 years	**1,687,996**	1,866,514
Over 5 years	**1,699,890**	1,721,140
	8,166,685	5,917,008

The aggregate principal amounts of bank borrowings and applicable interest rates are as follows:

	As at 30 June (Unaudited) 2025		As at 31 December 2024	
	Amount RMB'000	**Interest rate Per annum**	Amount RMB'000	Interest rate Per annum
RMB bank borrowings	**8,166,685**	**1.06%~3.80%**	5,917,008	1.95%~3.80%

As at 30 June 2025, the carrying amounts of bank borrowings approximated their fair values since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

For the Six Months Ended 30 June 2025

31 BORROWINGS (CONTINUED)

The Group had complied with all of the financial covenants of its borrowings for the six months ended 30 June 2025 (for the six months ended 30 June 2024: complied with all of the financial covenants of its borrowings). Under the terms of certain bank borrowings, with a carrying amount of RMB1,938,182,000 (31 December 2024: RMB1,938,182,000), the respective subsidiary is required to comply with the financial covenants starting from 1 January 2025:

- the debt to asset ratio must be not more than 70%;
- the interest coverage ratio must be not less than 5%;
- the debt service coverage ratio must be not less than 130%;
- the net assets of the subsidiary must be not less than RMB2 billion; and
- the revenue of the subsidiary must be not less than RMB1 billion.

There are no indicators that the Group would have difficulties complying with the covenants when they will be next tested as at 31 December 2025.

As at 30 June 2025, the weighted average effective interest rate for borrowings was 2.52% (31 December 2024: 2.89%).

32 CAPITAL COMMITMENTS

Significant capital expenditure commitments are set out below:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000
Property, plant and equipment	**381,000**	356,000
Capital contribution to financial assets at fair value through profit or loss	**109,000**	226,500
	490,000	582,500

33 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

(a) Information on related parties and their relationships with the Group are as follows:

Name of related parties	Relationship with the Group
Shanghai Artificial Intelligence Research Institute Co., Ltd. (上海人工智能研究院有限公司，"SAIRI")	Associate of the Group
Hangzhou Shang Jing Yun Intelligent Technology Co., Ltd. (杭州商警雲智能科技有限公司，"Shang Jing Yun")	Associate of the Group
Beijing Linkface Technology Co., Ltd. (北京今始科技有限公司，"Linkface")	Associate of the Group
Shangyu Technology (Beijing) Co., Ltd. (商予科技（北京）有限公司，"Shangyu")	Associate of the Group
Intelligent Computing Cloud (Chongqing) Technology Co., Ltd. (智算雲（重慶）科技有限公司，"ICC")	Associate of the Group
Hainan Jason Si Technology Co., Ltd. (海南傑森思科技有限公司，"Hainan Jason Si")(i)	Associate of the Group
Shanghai PowerTensors Intelligent Technology Co., Ltd. (上海陣量智能科技有限公司，"Shanghai PowerTensors")	Associate of the Group
Minghan Intelligent (Shenzhen) Co., Ltd. (銘翰智能（深圳）有限責任公司，"Minghan Intelligent")	Associate of the Group
SenseTime Dongnan (Fujian) Technology Co., Ltd. (商湯東南（福建）科技有限公司"Fujian Dongnan")	Associate of the Group
Nantong SenseTime Technology Co., Ltd. (南通商湯科技有限公司，"Nantong SenseTime")	Associate of the Group
Shanghai Xuanyang Sports Technology Co., Ltd. (上海玄羊體育科技有限公司，"Xuanyang Sports")	Associate of the Group
Shanghai Bizhi Intelligent Technology Co., Ltd. (上海畢至智能科技有限公司，"Bizhi Intelligent")	Associate of the Group

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Information on related parties and their relationships with the Group are as follows: (continued)

Name of related parties	Relationship with the Group
Shenzhen Tianyuanxing Technology Co., Ltd. (深圳天元興科技有限公司，"Tianyuanxing")(i)	Associate of the Group
Shenzhen Yingwei Innovation Microelectronics Co., Ltd. (深圳影微創新微電子有限公司，"Yingwei Microelectronics")(i)	Associate of the Group
Wuxi Yingwei Innovation Technology Development Co., Ltd. (無錫影微創新科技發展有限公司，"Wuxi Yingwei")(i)	Associate of the Group
Shanghai Lingang Yuanqi Intelligent Technology Co., Ltd. (上海臨港元企智能科技有限公司，"Lingang Yuanqi")	Joint venture of the Group
Huangpu Intelligent Computing (Guangzhou) Co., Ltd. (黃埔智算（廣州）有限公司，"Huangpu Intelligent")	Joint venture of the Group
Seno China Limited	Joint venture of the Group
Hong Kong AI & Data Laboratory Limited	Joint venture of the Group
Shandong Hoooon Toy Co., Ltd. (山東轟轟智能機器人有限公司，"Shandong Hoooon")	Investment with significant influence
Chengdu Lu Xingtong Information Technology Co., Ltd. (成都路行通信息技術有限公司，"Lu Xingtong")	Investment with significant influence
Shanghai Sun Vision Intelligent Technology Co., Ltd. (上海光方迅視智能科技有限公司，"Sun Vision")	Investment with significant influence
Shanghai Hengdao Medical Pathology Diagnosis Center Co., Ltd. (上海衡道醫學病理診斷中心有限公司，"Shanghai Hengdao")	Investment with significant influence
MantisVision Technologies Co., Ltd. (螳螂慧視科技有限公司，"Tanglang")	Investment with significant influence
Shanghai Huiming Software Co., Ltd. (上海輝明軟件有限公司，"Shanghai Huiming")	Investment with significant influence

(i) Tianyuanxing, Yingwei Microelectronics and Wuxi Yingwei have transfered from subsidiaries to associates on 31 March 2025, 27 June 2025 and 27 June 2025, respectively.

33 RELATED PARTY TRANSACTIONS (CONTINUED)

In the opinion of the Company's directors, the related party transactions were conducted in the ordinary course of business and based on terms mutually agreed by the underlying parties. Related party transactions of the Group during the six months ended 30 June 2025 include:

(b) Transactions with related parties

(i) Sale of products or provision of services

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Shanghai PowerTensors	**9,408**	–
Bizhi Intelligent	**2,979**	–
Shangyu	**385**	438
Tianyuanxing	**94**	–
SAIRI	**45**	261
ICC	**7**	–
Huangpu Intelligent	**–**	3,308
	12,918	4,007

(ii) Purchase of products or services

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Lingang Yuanqi	**31,691**	–
Sun Vision	**681**	483
Shangyu	**187**	645
Shandong Hoooon	**15**	237
Shanghai Huiming	**–**	442
	32,574	1,807

For the Six Months Ended 30 June 2025

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties (continued)

(iii) Government grants received on behalf of a related party

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Shanghai Hengdao	**500**	500

(iv) Key management compensation

Key management includes directors (executive and non-executive) and members of the Executive Committee. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Wages, salaries and bonuses	**8,638**	8,258
Pension costs – defined contribution plans	**108**	113
Other social security costs, housing benefits and other employee benefits	**192**	92
Share-based compensation expenses	**1,811**	2,347
	10,749	10,810

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties

(i) Trade receivables

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000
Wuxi Yingwei	105,258	–
Yingwei Microelectronics	2,772	–
Shang Jing Yun	2,391	2,391
Shanghai PowerTensors	1,618	6,864
Sun Vision	791	791
Shangyu	224	434
Minghan Intelligent	–	3,357
Hainan Jason Si	–	15
	113,054	13,852
Loss allowance	(20,034)	(6,332)
	93,020	7,520

(ii) Other receivables – non-trade

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000
Shanghai PowerTensors	20,192	83,936
Wuxi Yingwei	14,198	–
Yingwei Microelectronics	1,325	–
Tianyuanxing	1,121	–
Linkface	666	666
Hong Kong AI & Data Laboratory Limited	456	–
Xuanyang Sports	37	37
Fujian Dongnan	–	16,391
Hainan Jason Si	–	13,400
	37,995	114,430
Loss allowance	(1,122)	(2,811)
	36,873	111,619

For the Six Months Ended 30 June 2025

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties (continued)

(iii) Trade payables

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000
Nantong SenseTime	7,759	7,759
Sun Vision	40	1,192
Shanghai PowerTensors	78	78
Shandong Hoooon	17	–
Bizhi Intelligent	7	–
Lingang Yuanqi	–	62
	7,901	9,091

(iv) Other payables

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000
Non-trade		
Seno China Limited	661	671
Shanghai Hengdao	500	500
Trade		
Wuxi Yingwei	17,726	–
Shanghai Huiming	2,830	2,830
Tianyuanxing	1,317	–
Shanghai PowerTensors	7	60
Lingang Yuanqi	–	3,390
Shandong Hoooon	–	1
	23,041	7,452

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties (continued)

(v) Prepayment

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000
Lingang Yuanqi	6,779	–
Lu Xingtong	5,241	5,241
	12,020	5,241

(vi) Contract liabilities

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000
Shangyu	294	451
ICC	188	196
Lu Xingtong	54	54
Tianyuanxing	12	–
SAIRI	–	48
	548	749

These balances with related parties are unsecured, interest-free and repayable on demand.

34 CONTINGENCIES

As at 30 June 2025, there were no significant contingencies items for the Group.

35 EVENTS AFTER THE BALANCE SHEET DATE

In July 2025, a total number of 1,666,667,000 Class B ordinary shares have been placed at HK$1.50 per share for an aggregate consideration of approximately HK$2,500 million.

Directors' Interests and Short Positions in Shares, Underlying shares and Debentures of the Company or any Associated Corporations

As at June 30, 2025, so far as the Directors are aware, the interests or short positions of the Directors and the chief executive in any Shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which have been taken or deemed to have been taken under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in Shares of the Company

Name	Nature of interest[1]	Number of shares held	Approximate percentage of shareholding of the relevant class of shares in our Company[2]	Approximate percentage of shareholding in the issued and outstanding share capital of our Company[2]
Class A Shares – Dr. Xu Li				
XWorld[3]	Beneficial interest	286,317,668 Class A Shares	46.63%	0.77%
Dr. Xu Li	Interest in a controlled corporation	286,317,668 Class A Shares	46.63%	0.77%
Class A Shares – Dr. Wang Xiaogang				
Infinity Vision[4]	Beneficial interest	223,526,705 Class A Shares	36.40%	0.60%
Dr. Wang Xiaogang	Interest in a controlled corporation	223,526,705 Class A Shares	36.40%	0.60%
Class B Shares – Dr. Xu Li				
Dr. Xu Li	Beneficial interest	570,386,529 Class B Shares	1.57%	1.54%
Class B Shares – Dr. Wang Xiaogang				
Dr. Wang Xiaogang	Beneficial interest	302,140,243 Class B Shares	0.83%	0.82%
Infinity Vision[4]	Beneficial interest	8,644,928 Class B Shares	0.02%	0.02%
Dr. Wang Xiaogang	Interest in a controlled corporation	8,644,928 Class B Shares	0.02%	0.02%

Name	Nature of interest(1)	Number of shares held	Approximate percentage of shareholding of the relevant class of shares in our Company(2)	Approximate percentage of shareholding in the issued and outstanding share capital of our Company(2)
Class B Shares – Dr. Lin Dahua				
Dr. Lin Dahua	Beneficial interest	98,441,401 Class B Shares	0.27%	0.27%
Dr. Lin Dahua through Ms. Chen Lei(5)	Interest of spouse	19,000 Class B Shares	0.00%	0.00%
Class B Shares – Mr. Yang Fan				
Mr. Yang Fan through SenseTalent(6)	Beneficial interest	39,002,779 Class B Shares	0.11%	0.11%
Class B Shares – Mr. Wang Zheng				
Mr. Wang Zheng through SenseTalent(7)	Beneficial interest	34,749,686 Class B Shares	0.10%	0.09%
Class B Shares – Ms. Fan Yuanyuan				
Ms. Fan Yuanyuan through Mr. Yu Jiangtao(8)	Interest of spouse	500,000 Class B Shares	0.00%	0.00%

Notes:

(1) All interests stated are long position.

(2) The calculations of the percentage of shareholding are based on the number of total Shares and the relevant class of Shares in issue as at June 30, 2025, comprising, 614,034,470 Class A Shares and 36,393,336,530 Class B Shares.

(3) The entire interest in XWorld is held by Dr. Xu Li.

(4) The entire interest in Infinity Vision is held by Dr. Wang Xiaogang.

(5) Such 19,000 Class B Shares were held by Ms. Chen Lei, the spouse of Mr. Lin Dahua. Under the SFO, Dr. Lin Dahua is deemed to be interested in the same number of Shares in which Ms. Chen Lei is interested.

(6) Such interests comprised: (i) 28,852,469 Class B shares held through SenseTalent; and (ii) 10,150,310 share options under the pre-IPO employee incentive scheme adopted by the Company dated November 1, 2016 (as amended from time to time) which are exercisable into 10,150,310 existing Class B shares held by SenseTalent in accordance with the terms and conditions thereunder.

(7) Such interests comprised: (i) 13,333,255 Class B shares held through SenseTalent; and (ii) 21,416,431 share options under the pre-IPO employee incentive scheme adopted by the Company dated November 1, 2016 (as amended from time to time) which are exercisable into 21,416,431 existing Class B shares held by SenseTalent in accordance with the terms and conditions thereunder.

(8) Such 500,000 Class B Shares were held by Mr. Yu Jiangtao, the spouse of Ms. Fan Yuanyuan. Under the SFO, Ms. Fan Yuanyuan is deemed to be interested in the same number of Shares in which Mr. Yu Jiangtao is interested.

Save as disclosed above, as at June 30, 2025, so far as the Directors are aware, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying shares of the Company

As at June 30, 2025, so far as the Directors are aware, other than the Directors and the chief executive, the following persons had interests and/or short positions (as applicable) in the Shares or underlying shares of the Company that fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Interests in Shares of the Company

Name	Nature of interest[1]	Number of shares held	Approximate percentage of shareholding of the relevant class of shares in our Company[2]	Approximate percentage of shareholding in the issued and outstanding share capital of our Company[2]
Class B Shares – Amind Inc.				
Amind Inc.[3]	Beneficial interest	6,906,080,602 Class B Shares	18.98%	18.66%
Dr. Yang Qiumei[3]	Interest in a controlled corporation	6,906,080,602 Class B Shares	18.98%	18.66%
Class A Shares – Mr. Xu Bing				
Vision Worldwide Enterprise Inc.[4]	Beneficial interest	104,190,097 Class A Shares	16.97%	0.28%
Mr. Xu Bing[4]	Interest in a controlled corporation	104,190,097 Class A Shares	16.97%	0.28%
Class B Shares – Mr. Xu Bing				
Mr. Xu Bing	Beneficial interest	267,236,581 Class B Shares	0.73%	0.72%
Class B Shares – SenseTalent				
SenseTalent[5]	Beneficial interest	1,915,161,780 Class B Shares	5.26%	5.18%
Ms. Lin Jiemin[5]	Interest in a controlled corporation	1,915,161,780 Class B Shares	5.26%	5.18%

Notes:

(1) All interests stated are long position.

(2) The calculations of the percentage of shareholding are based on the number of total Shares and the relevant class of Shares in issue as at June 30, 2025, comprising, 614,034,470 Class A Shares and 36,393,336,530 Class B Shares.

(3) The entire interest of Amind Inc. is held by Dr. Yang Qiumei.

(4) The entire interest in Vision Worldwide Enterprise Inc. is held by Mr. Xu Bing. Pursuant to Rule 8A.17 of the Listing Rules, the weighted voting rights of the Class A Shares held by Mr. Xu Bing through Vision Worldwide Enterprise Inc. has ceased as a result of his stepping down as an executive Director of the Company. As at the date of this report, such Class A Shares will be converted into Class B Shares on a one-to-one basis.

(5) As Ms. Lin Jiemin holds 100% interest in SenseTalent, Ms. Lin Jiemin is deemed to be interested in the 1,915,161,780 Class B Shares held by SenseTalent.

Save as disclosed above, as at June 30, 2025, so far as the Directors are aware, no other person (other than the Directors and chief executives of the Company) had any interest or short position in the shares or underlying shares of the Company which fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

SHARE INCENTIVE SCHEMES

The Company has adopted three share incentive schemes, including the Pre-IPO RSU Plan, the Pre-IPO ESOP and the 2022 RSU Scheme. As at the date of this interim report, the Board has resolved that no further grant will be made under the Pre-IPO RSU Plan and the Pre-IPO ESOP. However, the subsisting rights of the grantees under the Pre-IPO RSU Plan and the Pre-IPO ESOP remain unaffected.

Pre-IPO RSU Plan

The following is a summary of the principal terms of the Pre-IPO RSU Plan of the Company as approved by the Board on November 1, 2016 and amended from time to time. As the Pre-IPO RSU Plan involves grant of RSU Awards which are funded by existing Class B Shares of the Company, upon the revised Chapter 17 of the Listing Rules coming into effect in January 2023, the Pre-IPO RSU Plan constitutes a share scheme which is funded by existing shares of the Company under Chapter 17 of the Listing Rules.

Purpose

The purpose of the Pre-IPO RSU Plan is to establish a comprehensive long-term incentive scheme of the Group, to motivate, attract and retain talents, and to share the Company's success with the participants.

Effectiveness and Duration

The original validity period of the Pre-IPO RSU Plan was ten years commencing on the adoption date of November 2, 2016. As disclosed in the announcement of the Company dated June 26, 2024 and as of the date of this interim report, the Board has resolved that no further grant will be made under the Pre-IPO RSU Plan. However, the subsisting rights of the grantees under the Pre-IPO RSU Plan remain unaffected.

Administration

The Pre-IPO RSU Plan shall be subject to the administration of the Board and the management of the Company (the "**RSU Administrators**") in accordance with the terms and conditions of the Pre-IPO RSU Plan, and the decision of the Board will be final and binding on all parties. The RSU Administrators may, from time to time, select the participants to whom a restricted stock unit ("**RSU Awards**") may be granted.

The RSU Administrators have the right to, among others: (i) interpret and construe the provisions of the Pre-IPO RSU Plan; (ii) determine the persons who will be granted RSU Awards under the Pre-IPO RSU Plan, the terms and conditions on which RSU Awards are granted and when the RSUs granted pursuant to the Pre-IPO RSU Plan may be exercised; and (iii) make such other decisions or determinations as it shall deem necessary for the administration of the Pre-IPO RSU Plan.

Participants

The eligible participants in the Pre-IPO RSU Plan (the "**Pre-IPO RSU Participants**") include (i) key management team and key technical staff of the Group who have been continuously working in the Group for no less than one year and key core employees who have direct impact on the Group's performance and development; and (ii) any other persons who, in the sole opinion of the RSU Administrators, have contributed or will contribute to the Group significantly.

Maximum number of Shares

The maximum number of Shares underlying the Pre-IPO RSU Plan ("**RSU Limit**") is 492,327,394 Shares, all of which have been issued and held by SenseTalent. The RSU Limit represents approximately 1.27% of the total issued Shares as at the date of this interim report. There is no maximum limit of Class B Shares which may be awarded to any one Participant under the Pre-IPO RSU Plan.

Terms and Conditions of RSU Award

Grant of RSU Awards

The RSU Administrators may, from time to time, select the Pre-IPO RSU Participants to whom a grant of an RSU Award may be made. The amount of an RSU Award may be determined at the sole and absolute discretion of the RSU Administrators and may differ among selected Pre-IPO RSU Participants.

Acceptance of RSU Awards

If the selected person intends to accept the offer of grant of RSU Awards as specified in the grant letter, he or she is required to sign the grant notice and return it to the Company within the time period pursuant to the terms of the Pre-IPO RSU Plan. No consideration is payable by the selected person upon the acceptance of an RSU Award. Upon the receipt from the selected person of a duly executed grant notice, the RSU Awards are granted to such person, who becomes a grantee pursuant to the Pre-IPO RSU Plan.

Conditions of RSU Awards

Subject to the terms of the Pre-IPO RSU Plan, the RSU Awards may be granted on such terms and conditions as the RSU Administrators may determine, provided such terms and conditions shall be consistent with any other terms and conditions of the Pre-IPO RSU Plan.

Rights attached to RSU Awards

A Pre-IPO RSU Participant does not have any contingent interest in any Shares underlying an RSU Award unless and until such Shares are actually transferred to the Pre-IPO RSU Participant. Unless otherwise determined by the Board in its entire discretion, the Pre-IPO RSU Participants may not exercise voting rights in respect of the Shares underlying their RSU Awards. The Pre-IPO RSU Participants have the rights to any dividends or distributions from any Shares underlying an RSU Award.

Exercise of RSU Awards

RSU Awards held by the Pre-IPO RSU Participants were exercised on December 30, 2016. The exercise price per RSU Award was HKD0.00007789. Any RSUs or any Share underlying any RSUs shall not be transferred or sold prior to the Listing unless approved by the Board. After the Listing, subject to the lock-up period and restrictions set forth under the Pre-IPO RSU Plan and the sole discretion of the Board, the Pre-IPO RSU Participants may dispose of part or all of the Shares underlying their RSU Awards to any third party (other than anyone who, in the opinion of the RSU Administrators or the Board, are the Company's actual or potential competitors, hostile acquirers, or anyone who will adversely affect the Company's operations) at terms and conditions negotiated between the Pre-IPO RSU Participants and the transferees.

Alteration and Termination of the Pre-IPO RSU Plan

The terms of the Pre-IPO RSU Plan may be altered or amended in any respect by the Board provided that such alteration or amendment shall not affect any subsisting rights of any grantee thereunder. Also, the Pre-IPO RSU Plan may be terminated at any time prior to the expiry of its term by the Board. As at the date of this interim report, the Board has resolved that no further grant will be made under the Pre-IPO RSU Plan, but the subsisting rights of the grantees will remain unaffected.

RSUs granted under the Pre-IPO RSU Plan

Prior to the Reporting Period, the Pre-IPO RSU Plan has been fully granted up to its RSU Limit (i.e. 492,327,394 Shares) to a total of 59 grantees (including Directors, members of senior management and other connected persons of the Company). As disclosed above, all the RSUs granted were fully exercised by the Pre-IPO RSU Participants on December 30, 2016 and the underlying Shares were held by SenseTalent on behalf of such Pre-IPO RSU Participants since the date of such exercise.

Accordingly, during the Reporting Period, no granting, vesting, lapsing or cancellation of RSU has taken place. As at December 31, 2024, the aggregate number of the Class B Shares underlying the Pre-IPO RSU Plan and which remain held by SenseTalent on behalf of the Pre-IPO RSU Participants were 355,510,232 Class B Shares. As at June 30, 2025, the aggregate number of the Class B Shares underlying the Pre-IPO RSU Plan and which remain held by SenseTalent on behalf of the Pre-IPO RSU Participants were 336,763,649, representing approximately 0.87% of the issued share capital of the Company as at the date of this interim report.

Details of RSU Awards granted under the Pre-IPO RSU Plan

As of January 1, 2025, the Pre-IPO RSU Plan have been fully granted, vested and exercised up to the RSU Limit. Therefore, no RSU Awards were granted, vested, exercised, lapsed or cancelled during the Reporting Period.

Pre-IPO ESOP

The following is a summary of the principal terms of the Pre-IPO ESOP of the Company as approved by the Board on November 1, 2016 and amended from time to time. Upon the revised Chapter 17 of the Listing Rules coming into effect in January 2023, the Pre-IPO ESOP constitutes a share scheme which is funded by existing shares of the Company under Chapter 17 of the Listing Rules. For details regarding the Pre-IPO ESOP, please refer to the section headed "Statutory and General Information – D. Share Incentive Schemes – 2. Pre-IPO ESOP" of the Prospectus.

Purpose

The purpose of the Pre-IPO ESOP is to establish a comprehensive long-term incentive scheme of the Group, to motivate, attract and retain talents, and to share the Company's success with the participants.

Effectiveness and Duration

The original validity period of the Pre-IPO ESOP was ten years commencing on the adoption date of November 2, 2016. As disclosed in the announcement of the Company dated June 26, 2024 and as of the date of this interim report, the Board has resolved that no further grant will be made under the Pre-IPO ESOP. However, the subsisting rights of the grantees under the Pre-IPO ESOP remain unaffected.

Administration

The Pre-IPO ESOP shall be subject to the administration of the Board and the management of the Company (the "**ESOP Administrators**") in accordance with the terms and conditions of the Pre-IPO ESOP, and the decision of the Board will be final and binding on all parties. The ESOP Administrators may, from time to time, select the participants to whom an award in the form of options ("**Options**") may be granted.

The ESOP Administrators have the right to, among others: (i) interpret and construe the provisions of the Pre-IPO ESOP; (ii) determine the persons who will be granted Options under the Pre-IPO ESOP, the terms and conditions on which Options are granted and when the Options granted pursuant to the Pre-IPO ESOP may vest; and (iii) make such other decisions or determinations as it shall deem necessary for the administration of the Pre-IPO ESOP.

Participants

The eligible participants in the Pre-IPO ESOP (the "**Pre-IPO ESOP Participants**"), as determined by the Board, include (i) key management team, key technical staff of the Group and key core employees who have direct impact on the Group's performance and development and who have been formally employed after probation and (ii) any other persons who have contributed significantly to the Group and have significant value to the Group. The scope of grantees, specific targets and the number of options to be granted will be determined by the ESOP Administrators with reference to the posts, performance and duration of service of each Pre-IPO ESOP Participant.

Maximum number of Shares

Subject to any adjustments for other dilutive issuances, the maximum number of Shares underlying the Options under the Pre-IPO ESOP ("**Pre-IPO ESOP Limit**") is 3,376,931,209 Class B Shares, all of which have been issued and are held by SenseTalent. The Pre-IPO ESOP Limit represents approximately 8.73% of the issued share capital as at the date of this interim report. There is no maximum limit of Class B Shares which may be awarded to any one Participant under the Pre-IPO ESOP.

Terms and Conditions of Options

Grant of Options

The ESOP Administrators may determine in each year whether Options shall be granted and select the Pre-IPO ESOP Participants to whom a grant of an Option may be made. The number of Options granted may be determined at the sole and absolute discretion of the ESOP Administrators and may differ among selected Pre-IPO ESOP Participants. No consideration is payable by the Pre-IPO ESOP Participants upon the acceptance of an Option.

Rights attached to the Options and the underlying Shares

A Pre-IPO ESOP Participant only has a contingent interest in the Shares underlying an Option unless and until such Shares are actually transferred to the Pre-IPO ESOP Participant. He/she is not entitled to any right of dividend or other shareholder's interest or right in respect of any Options or the underlying Shares before exercise of the Options and the completion of the registration of the Pre-IPO ESOP Participant as a Shareholder of the Company. No voting right shall be exercisable by the Pre-IPO ESOP Participants in relation to any Options or the Shares that are the subject of the Options.

Limits on Transfer of Options

Unless otherwise provided in the Pre-IPO ESOP or by applicable law, all Options under the Pre-IPO ESOP are non-transferable and shall not be subject, in any manner, to sale, transfer, exchange, pledge, encumbrance, debt repayment or other disposal prior to the time of exercise.

Vesting Schedule
Except for employees who joined the Company on or before December 31, 2015 or otherwise determined by the Administrator, the Pre-IPO ESOP Participants shall not exercise any Option granted to him/her for a period of one year (the "**Waiting Period**") after the date of grant of the Options ("**Grant Date**").

Subject to the satisfaction of the specific conditions before any Option may be vested, the Options granted will vest in four years, subject to a maximum of 25% each year. The first vesting date will be on the date when the Waiting Period ends.

Exercise of Options

Exercise Price
The exercise price per Option shall be determined by the ESOP Administrators or any persons authorized by the ESOP Administrators on the Grant Date with reference to the fair market value of the Shares and the market condition, the determination of which shall be final, binding and conclusive.

Validity Period
Unless otherwise provided in the Pre-IPO ESOP, the validity period for the Options granted to the Pre-IPO ESOP Participants shall be seven years commencing from the Grant Date (the "**Validity Period**"). Any Options vested but not exercised within the Validity Period shall become non-exercisable and the underlying Shares shall be returned to the Pre-IPO ESOP.

Exercise Method
The Pre-IPO ESOP Participants may exercise his/her Options by serving the exercise notice during the exercise period as determined by the ESOP Administrators and paying the relevant exercise price and the Options shall only be exercised by the Pre-IPO ESOP Participants.

Alteration and Termination of the Pre-IPO ESOP
The terms of the Pre-IPO ESOP may be altered or amended in any respect by the Board provided that such alteration or amendment shall not affect any subsisting rights of any grantee thereunder.

The Pre-IPO ESOP may also be terminated at any time prior to the expiry of its term by our Board provided that such termination shall not affect any subsisting rights of any grantee thereunder. In such event, no further Options shall be granted. As disclosed in the announcement of the Company dated June 26, 2024 and as of the date of this interim report, the Board has resolved that no further grant will be made under the Pre-IPO ESOP, but the subsisting rights of the grantees will remain unaffected.

Options granted under the Pre-IPO ESOP
As at June 30, 2025, 1,473,416,774 Options under the Pre-IPO ESOP including those which (i) remain unvested; (ii) are vested and exercisable but unexercised; and (iii) have been fully vested and exercised but remained held by SenseTalent on behalf of the relevant grantees have been granted to 1,933 grantees (including members of senior management and other connected persons of the Company, but for the avoidance of doubt, does not include the two Directors as disclosed in the paragraph below).

As at December 31, 2024, the aggregate number of the Class B Shares underlying the Pre-IPO ESOP and which remain held by SenseTalent was 1,649,643,767 Class B Shares. As at June 30, 2025, the aggregate number of Class B Shares underlying the Pre-IPO ESOP and which remain held by SenseTalent is 1,578,398,131, representing approximately 4.27% of the issued share capital of the Company as at June 30, 2025.

Details of share options granted under the Pre-IPO ESOP

Details of outstanding options over shares of the Company at the beginning and at the end of the Reporting Period which have been granted under the Pre-IPO ESOP are as follows:

Grantees	Outstanding at December 31, 2024	Number of share options granted	Number of share options exercised	Number of share options lapsed	Number of share options cancelled	Outstanding at June 30, 2025
Category 1: Directors						
Total of all Directors under the Pre-IPO ESOP Plan(1)	31,819,799	0	0	0	0	31,819,799
Mr. YANG Fan	10,150,310	0	0	0	0	10,150,310
Mr. WANG Zheng	21,669,489	0	0	0	0	21,669,489
Category 2: Other Grantees						
Total of all other grantees under the Pre-IPO ESOP Plan(2)	789,187,205	0	(54,294,051)	0	(51,158,067)	683,735,087
	0(3)	0	0	0	0	0
	142,401,482(4)	0	(2,375,000)	0	0	140,026,482
	23,401,333(5)	0	(3,039,462)	0	0	20,361,871
	623,384,390(6)	0	(48,879,589)	0	(51,158,067)	523,346,734
Total all categories	821,007,004	0	(54,294,051)	0	(51,158,067)	715,554,886

Notes:

(1) As at June 30, 2025, the number of outstanding Options is 31,819,799. Such Options were granted from January 1, 2020 to September 13, 2022 with a vesting period of 3.5 to 4 years, exercise period of 7 years and exercise price of approximately HK$0.78.

During the Reporting Period, in relation to the Directors, no Options were granted, exercised, lapsed or cancelled under the Pre-IPO ESOP Plan.

(2) As at June 30, 2025, the number of outstanding Options is 683,735,087. Such Options were granted from February 1, 2019 to May 28, 2024 with a vesting period of 0 to 4.25 years, exercise period of 7 years and exercise price of approximately HK$0.78 or HK$0.22 or HK$0.01.

During the Reporting Period, no Options were granted under the Pre-IPO ESOP Plan.

The Options which were exercised during the Reporting Period have an exercise price of approximately HK$0.78 or HK$0.22 or HK$0.01. The weighted average closing price of the Class B Shares on the Stock Exchange immediately before the date of exercise was HK$1.60.

The Options which were cancelled during the Reporting Period had an exercise price of approximately HK$0.78 as set out above.

(3) Options granted to the other grantees with an exercise price of approximately HK$0.0001.

(4) Options granted to the other grantees with an exercise price of approximately HK$0.01.

(5) Options granted to the other grantees with an exercise price of approximately HK$0.22.

(6) Options granted to the other grantees with an exercise price of approximately HK$0.78.

2022 RSU Scheme

The following is a summary of the key terms of the 2022 RSU Scheme as approved by the Board on June 20, 2022 and as amended by a Shareholders' resolution dated June 26, 2024. The 2022 RSU Scheme constitutes a share scheme under Chapter 17 of the Listing Rules. For details regarding the 2022 RSU Scheme, please refer to the announcement of the Company dated June 20, 2022, the circular of the Company dated June 4, 2024 and the poll results announcement of the Company dated June 26, 2024.

Purpose

The purpose of the 2022 RSU Scheme is to recognise the contributions of the participants, encourage and retain the participants for the continual operation and development of the Group, and to motivate the participants to maximize the value of the Company for the benefits of both such participants and the Company.

Effectiveness and Duration

Subject to any early termination as may be determined by the Board pursuant to terms of the 2022 RSU Scheme, the 2022 RSU Scheme shall be valid and effective for a period of ten years commencing on the adoption date of June 20, 2022.

Administration

The 2022 RSU Scheme shall be subject to the administration of the Board in accordance with the terms and conditions therein, and one or more trustee(s) may be appointed to assist with the administration and vesting of RSUs granted pursuant to the 2022 RSU Scheme. In addition, the Company may establish one or more special purpose vehicle(s) for the purpose of holding any Class B Shares and/or the consideration received in accordance with the terms and conditions of the 2022 RSU Scheme. A trustee and/or any registered holder of any special purpose vehicles shall not exercise any voting rights in respect of any Class B Shares held under the relevant trust or special purpose vehicles (as the case may be) in satisfaction of any unvested RSUs, unless required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

An administrative committee (the "**Administrative Committee**") comprising the chairman of the Board (the "**Chairman**"), one senior officer of the human resources department and one senior officer of finance department, as appointed by the Chairman, from time to time, may (i) exercise the mandate granted by the Shareholders at general meetings of the Company and direct the Company to allot and issue Class B Shares or transfer any treasury shares of the Company in issue to the relevant trustee and/or special purpose vehicle subject to compliance with any applicable laws and regulations (including but not limited to the Listing Rules) and any trust deed; and/or to the trustee to be held by the trustee to satisfy the RSUs upon vesting; and/or (ii) direct and procure the trustee and/or special purpose vehicle to receive existing Class B Shares from any Shareholder or purchase existing Class B Shares (either on-market or off-market), for the purposes of satisfying any RSUs granted or to be granted under the 2022 RSU Scheme.

Participants

The eligible participants in the 2022 RSU Scheme (the "**2022 RSU Scheme Participants**") include (i) any employee (whether full time or part time), executives or officers, directors (including executive, non-executive and independent non-executive directors) of any member of the Group; and (ii) any person who provides services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, including but not limited to any person providing advisory and consultancy services (in connection with, among others, research and development of the Group's products and services and commercial planning and development), sales and marketing services, technology services, administrative services, strategic or commercial planning services, agency and subcontracting services and technical services, but excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or any professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectivity ("**Service Providers**").

Scheme Mandate Limit, Service Provider Sublimit and Individual Limits

Subject to the terms of the 2022 RSU Scheme:

(a) the maximum number of new Class B Shares which may be allotted and issued in respect of all restricted share units ("**RSUs**") to be granted under the 2022 RSU Scheme and all options and/or awards under any other share schemes of the Company shall not exceed 10% of the number of Shares in issue as at June 26, 2024 (the "**Amendment Date**") (excluding any treasury shares of the Company), being 3,346,892,500 Class B Shares (the "**Scheme Mandate Limit**"). Any RSUs lapsed in accordance with the 2022 RSU Scheme and any awards or options lapsed in accordance with any other share schemes of the Company shall not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit;

(b) the maximum number of new Class B Shares which may be allotted and issued in respect of all RSUs to be granted under the 2022 RSU Scheme and all options and/or awards under any other share schemes of the Company to the Service Providers under the Scheme Mandate Limit shall not exceed 1% of the number of Shares in issue as at the Amendment Date (excluding any treasury shares of the Company), being 334,689,250 Class B Shares;

(c) no RSU may be granted to any 2022 RSU Scheme Participant if such further grant of RSUs would result in the Shares issued and to be issued in respect of any RSUs granted under the 2022 RSU Scheme and all awards and options granted under any other share schemes of the Company to any 2022 RSU Scheme Participant (excluding any RSUs lapsed in accordance with the terms of the 2022 RSU Scheme or any awards or options lapsed in accordance with the terms of any other share schemes of the Company) in the 12-month period up to and including the date of such proposed grant exceeding 1% of the Shares in issue at the time of such proposed grant;

(d) where any further grant of RSUs to a 2022 RSU Scheme Participant would result in the Shares issued and to be issued in respect of any RSUs granted under the 2022 RSU Scheme and all awards and options granted under any other share schemes of the Company to any 2022 RSU Scheme Participant (excluding any RSUs lapsed in accordance with the terms of the 2022 RSU Scheme or any awards or options lapsed in accordance with the terms of any other share schemes of the Company) in the 12-month period up to and including such proposed grant to exceed 1% of the Shares in issue at the time of such proposed grant (excluding any treasury shares of the Company), such grant shall be separately approved by the Shareholders, and for such purposes, the 2022 RSU Scheme Participant and his close associates (or where the 2022 RSU Scheme Participant is a connected person, his associates) shall abstain from voting on the resolution approving such grant to the relevant 2022 RSU Scheme Participant;

(e) where any further grant of RSUs to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all RSUs granted under the 2022 RSU Scheme and all awards granted under any other share schemes of the Company (excluding any RSUs lapsed in accordance with the terms of the 2022 RSU Scheme, any awards lapsed in accordance with the terms of any other share schemes of the Company, and any options) to such person in the 12-month period up to and including such grant to exceed 0.1% of the Shares in issue at the time of such proposed grant (excluding any treasury shares of the Company), such grant must be separately approved by the Shareholders, and for such purposes, the relevant 2022 RSU Scheme Participant to which the grant is proposed to be made, his associates and all core connected persons of the Company shall abstain from voting in favour on the resolution approving such grant to the relevant 2022 RSU Scheme Participant; and

(f) where any further grant of RSUs to an independent non-executive Director or a substantial Shareholder, or any of their respective associates, would result in the Shares issued and to be issued in respect of all RSUs granted under the 2022 RSU Scheme and all awards and options granted under any other share schemes of the Company (excluding any RSUs lapsed in accordance with the terms of the 2022 RSU Scheme, any awards or options lapsed in accordance with the terms of any other share schemes of the Company) to such person in the 12-month period up to and including such grant to exceed 0.1% of the Shares in issue at the time of such proposed grant (excluding any treasury shares of the Company), such grant must be separately approved by the Shareholders, and for such purposes, the relevant 2022 RSU Scheme Participant to which the grant is proposed to be made, his associates and all core connected persons of the Company shall abstain from voting in favour on the resolution approving such grant to the relevant 2022 RSU Scheme Participant.

As at the Latest Practicable Date, no Class B Shares have been issued for the purposes of the 2022 RSU Scheme.

As at January 1, 2025, no grants were made under the 2022 RSU Scheme and the Class B Shares which may be issued under the Scheme Mandate Limit and the Service Provide Sublimit were 3,346,892,500 and 334,689,250 respectively (representing approximately 9.04% and 0.90% of the total issued Shares respectively as at January 1, 2025).

As at June 30, 2025, 311,333,631 RSUs have been granted under the 2022 RSU Scheme, among which 304,444,051 RSUs were granted to employee participants (which are Junior Grantees), and 6,889,580 RSUs were granted to service providers (being providers of advisory services to members of the Group, as defined under Rule 17.03A of the Listing Rules). Following the grant of such RSUs and as at June 30, 2025, 3,035,558,869 Class B Shares (representing approximately 8.20% of the total issued Shares as at June 30, 2025) are available for further grant under the scheme mandate limit of the 2022 RSU Scheme, and 327,799,670 Class B Shares (representing approximately 0.89% of the total issued Shares as at June 30, 2025) are available for further grant under the service provider sublimit of the 2022 RSU Scheme.

Terms and Conditions of the 2022 RSU Scheme Awards

Grant of 2022 RSU Scheme Awards

On and subject to the terms of the 2022 RSU Scheme the Board (in the case of grantees who are Directors (the "**Senior Grantees**")) or the Chairman (in the case of grantees other than Senior Grantees, the "**Junior Grantees**", and together with the Senior Grantees, the "**Grantees**") shall be entitled at any time during the term of the 2022 RSU Scheme to make a grant of awards (the "**2022 RSU Scheme Awards**") to any 2022 RSU Scheme Participant, as the Board or the Chairman (as the case may be) may in its absolute discretion determine. The amount of RSUs to be granted may be determined at the sole and absolute discretion of the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) and may differ among selected 2022 RSU Scheme Participants.

Conditions of the 2022 RSU Scheme Awards

RSUs may be granted on such terms and conditions (such as by linking the vesting of the RSU to the attainment or performance of certain objectives or performance targets by any member of the Group, the Grantee or any group of Grantees) as the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) may determine, provided such terms and conditions shall be consistent with any other terms and conditions of the 2022 RSU Scheme. Such performance targets may include, but are not limited to, targets that are benchmarked to the business and operational segments of the Group such as research and development, business development, sales and marketing and financial performance of the Group, or those relating to individual performance relevant to the 2022 RSU Scheme Participant's roles and responsibilities, which shall be assessed at the end of the performance period for such target by comparing the actual performance against the pre-agreed targets. The Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) shall have the right to make adjustments to the relevant objectives or performance targets subsequent to the grant of RSUs, provided that such adjustments shall be considered fair and reasonably by the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees).

For as long as the Class B Shares are listed on the Stock Exchange, if required by the Stock Exchange or the Listing Rules, the grant of a 2022 RSU Scheme Award shall be subject to the compliance with the requisite requirements under the Listing Rules or otherwise required by the Stock Exchange.

Vesting Period of the 2022 RSU Scheme Awards

Subject to the terms of the 2022 RSU Scheme, the specific terms and conditions applicable to each RSU, the vesting period shall be determined by the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees), provided that the vesting period for any RSU shall not be less than 12 months except under the specific circumstances as set out below:

(a) granting RSUs to new employees to replace the share awards they forfeited (the "**Forfeited Awards**") when leaving their previous employers (including any entity which, as a result of mergers and acquisitions by the Company, became a subsidiary of the Company). The vesting period for such RSUs will be the same as the remaining vesting period of the Forfeited Awards (which may be less than 12 months);

(b) granting RSUs to a 2022 RSU Scheme Participant whose employment or service (as the case may be) was terminated due to death, illness, disability or any force majeure event;

(c) granting RSUs which are subject to performance-based vesting conditions (as opposed to time-based conditions);

(d) granting RSUs that are made in batches during a year for administrative and/or compliance reasons, in which case the vesting periods for such RSUs may be shortened to reflect the time from which the RSUs would have been granted;

(e) granting RSUs with a mixed or accelerated vesting schedule such that the RSUs may vest evenly over a period of 12 months; or

(f) granting RSUs with a total vesting and holding period of more than 12 months.

The RSUs which have vested shall be satisfied at the sole and absolute discretion of the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) within a reasonable period from the vesting date of such RSUs, in whole or in part by either: (a) the Administrative Committee directing and procuring the relevant trustee and/or special purpose vehicle to transfer the Class B Shares underlying the RSUs to the Grantee in such manner as determined by it from time to time; and/or (b) the Administrative Committee directing and procuring the trustee and/or special purpose vehicle to pay to the Grantee in cash an amount which is equivalent to the market value of the Class B Shares (in which case, the amount payable to such Grantee shall be the actual sale proceeds net of any tax, fees, levies or other charges applicable).

Unless otherwise provided in the 2022 RSU Scheme, any RSU shall vest upon the expiry of the vesting period subject to the specific terms and conditions as determined by the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees), provided that:

(a) in the event a general offer for Shares (whether by way of voluntary offer, takeover, scheme of arrangement or otherwise) is made to all holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror), the Board may, prior to or immediately upon the offer becoming or being declared unconditional, determine at its absolute discretion whether any RSU shall vest prior to the expiry of the vesting period and the period within which such RSU shall vest. If the Board determines that such RSU shall vest prior to the expiry of the vesting period, it shall notify the Grantee, and the Company that the RSU shall vest and the period within which such RSU shall vest. In the absence of such determination by the Board, the RSUs shall continue to vest in accordance with their respective vesting timetable;

(b) in the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation or merger with any other company or companies pursuant to the Companies Act of the Cayman Islands, the Board may, prior to or immediately upon the meeting of the Shareholders or creditors considering such compromise or arrangement, determine at its absolute discretion whether any RSU shall vest prior to the expiry of the vesting period and the period within which such RSU shall vest. If the Board determines that such RSU shall vest, it shall notify the Grantee, and the Company that the RSU shall vest prior to the expiry of the vesting period and the period within which such RSU shall vest. In the absence of such determination by the Board, the RSUs shall continue to vest in accordance with their respective vesting timetable, provided that upon such compromise, arrangement, amalgamation or merger becoming effective, all RSUs shall, to the extent that they have not been vested, lapse and determined;

(c) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Board may, prior to or immediately upon the meeting of the Shareholders considering such resolution, determine at its absolute discretion whether any RSU shall vest prior to the expiry of the vesting period and the period within which such RSU shall vest. If the Board determines that such RSU shall vest prior to the expiry of the vesting period, it shall notify the Grantee, and the Company that the RSU shall vest prior to the expiry of the vesting period and the period within which such RSU shall vest. In the absence of such determination by the Board, the RSUs shall continue to vest in accordance with their respective vesting timetable, provided that all RSUs shall, to the extent that they have not been vested, lapse immediately on the date of the commencement of the voluntary winding-up of the Company; and

(d) the Board may, in its absolute discretion and on any terms and conditions as it thinks fit, accelerate the vesting period of all or any RSUs at any time subject to the applicable terms and conditions in connection with such RSUs.

Consideration and Basis of Consideration

The consideration (if any) payable by a selected 2022 RSU Scheme Participant to the relevant trustee and/or special purpose vehicle for acceptance and/or vesting of the RSU under the 2022 RSU Scheme and the period within which such consideration shall be paid by a selected 2022 RSU Scheme Participant shall be determined at the sole and absolute discretion of the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees). Such consideration (if any) shall be determined taking into account the prevailing market price of the Class B Shares, the purposes of the 2022 RSU Scheme and the RSUs to be granted, the profile of the relevant Participant, and such other factors as the Board (in the case of the Senior Grantees) or the Chairman (in the case of Junior Grantees) may deem relevant.

Rights of the Participants

The RSUs do not carry any right to vote general meetings of the Company. No Grantees shall enjoy any of the rights of a Shareholder by virtue of the grant of an RSU under the 2022 RSU Scheme, unless and until the Class B Shares underlying the RSUs are actually transferred to or allotted or issued to (as the case may be) to the Grantees following the vesting of such RSUs, provided that (i) the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) shall have the sole and absolute discretion to determine that any Grantee shall be entitled to exercise the voting rights in any Class B Shares held by a trustee and/or a special purpose vehicle for the purpose of satisfying any vested RSUs held by such Grantee through the trustee and/or special purpose vehicle; and (ii) the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) shall have the sole and absolute discretion to determine that any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions derived from any Shares underlying a RSU prior to vesting of the RSU shall also be paid to any Grantee upon vesting of the RSUs.

Lapsing of the 2022 RSU Scheme Awards

The unvested RSUs shall automatically lapse upon the earliest of: (a) the date on which the 2022 RSU Scheme Participant ceases to be an eligible 2022 RSU Scheme Participant; (b) the expiry of any of the periods or the occurrence of the relevant event referred to in the paragraph "Vesting Period"; (c) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company; (d) the date on which the Grantee commits a breach of the restrictions; (e) the date on which the 2022 RSU Scheme Participants are found to be an Excluded Person; (f) the date on which it is no longer possible to satisfy any outstanding conditions to vesting; or (g) the Board has decided that the unvested RSUs shall not be vested for the Grantee in accordance with the rules of the 2022 RSU Scheme and the terms and conditions as set out in the notice of grant.

Alteration and Termination of the 2022 RSU Scheme

Subject to the terms of the 2022 RSU Scheme, the terms of the 2022 RSU Scheme may be altered, amended or waived in any respect by the Board provided that such alteration, amendment or waiver shall not affect any subsisting rights of any Grantee thereunder. The 2022 RSU Scheme may be terminated at any time prior to the expiry of its term by the Board provided that such termination shall not affect any subsisting rights of any Grantee thereunder.

RSUs granted under the 2022 RSU Scheme

Details of outstanding RSUs over new shares of the Company at the beginning and at the end of the Reporting Period which have been granted under the 2022 RSU Scheme are as follows:

Grantees	Outstanding at December 31, 2024	Number of RSUs granted	Number of RSUs vested	Number of RSUs lapsed	Number of RSUs cancelled	Outstanding at June 30, 2025
Category 1: Employee Participants[1]	0	304,444,051	0	(6,770,798)	0	297,673,253
Category 2: Service Providers[2]	0	6,889,580	0	0	0	6,889,580
Total all categories	0	311,333,631	0	(6,770,798)	0	304,562,833

Notes:

(1) As at June 30, 2025, the number of outstanding RSUs is 297,673,253. Such RSUs were granted on March 27, 2025 with a vesting period from 3.07 to 4.07 years, and vesting price of HK$0.

During the Reporting Period, a total of 304,444,051 RSUs were granted on March 27, 2025 with a vesting period from 3.07 to 4.07 years, vesting price of HK$0. The vesting of these RSUs are subject to fulfilment of specific conditions (including performance targets based on the performance and other management indicators and/or other appropriate indicators of the Group and its relevant departments). The closing price of the Class B Shares on the Stock Exchange immediately before the date on which the grant was made was HK$1.49 (the grant date being March 27, 2025). For the fair value of the RSUs granted during the Reporting Period and the accounting standard and policy adopted, please refer to Note 29 to the consolidated financial statements.

During the Reporting Period, no RSUs were vested under the 2022 RSU Scheme.

(2) As at June 30, 2025, the number of outstanding RSUs is 6,889,580. Such RSUs were granted on March 27, 2025 with a vesting period from 3.07 to 4.07 years, and vesting price of HK$0.

During the Reporting Period, a total of 6,889,580 RSUs were granted on March 27, 2025 with a vesting period from 3.07 to 4.07 years, vesting price of HK$0. The vesting of these RSUs are subject to fulfilment of specific conditions (including performance targets based on the performance and other management indicators and/or other appropriate indicators of the Group and its relevant departments). The closing price of the Class B Shares on the Stock Exchange immediately before the date on which the grant was made was HK$1.49 (the grant date being March 27, 2025). For the fair value of the RSUs granted during the Reporting Period and the accounting standard and policy adopted, please refer to Note 29 to the consolidated financial statements.

During the Reporting Period, no RSUs were vested under the 2022 RSU Scheme.

(3) No grants were made to the Directors under the 2022 RSU Scheme during the Reporting Period. On September 4, 2025, the Company announced conditional grants of: (i) 600,000,000 RSUs to Dr. Xu Li; (ii) 200,000,000 RSUs to Dr. Wang Xiaogang; (iii) 200,000,000 RSUs to Dr. Lin Dahua; (iv) 200,000,000 RSUs to Mr. Yang Fan; and (v) 160,000,000 RSUs to Mr. Wang Zheng, the details of which are set out in the announcement and circular of the Company each dated September 4, 2025. As at the Latest Practicable Date, the conditional grants remain subject to the requisite approvals by the Shareholders under Chapter 17 of the Listing Rules.

Percentage of weighted average number of shares

The total number of Class B Shares that may be issued in respect of options or awards granted under the Pre-IPO RSU Plan, the Pre-IPO ESOP and the 2022 RSU Scheme of the Company (being the 3,346,892,500 Class B Shares which may be issued under the 2022 RSU Scheme, as each of the Pre-IPO RSU Plan and the Pre-IPO ESOP does not involve issue of new Shares, and taking into account no new Class B Shares for the purpose of satisfying any vesting of RSUs under the 2022 RSU Scheme during the Reporting Period) during the Reporting Period divided by the weighted average number of total Shares in issue for the Reporting Period is 9.04%.

Weighted Voting Rights

The Company adopts a weighted voting rights structure. Under the structure, the Company's share capital comprises Class A Shares and Class B Shares. Each Class A Share entitles the holder to exercise 10 votes, and each Class B Share entitles the holder to exercise one vote, respectively, on any resolution tabled at general meetings, except for resolutions with respect to a limited number of Reserved Matters, in relation to which each Share is entitled to one vote.

The WVR Structure enables the WVR Beneficiaries to exercise voting control over the Company notwithstanding the WVR Beneficiaries do not hold a majority economic interest in its share capital. This enables the Company to benefit from the continuing vision and leadership of the WVR Beneficiaries, who will control the Company with a view to its long-term prospects and strategy.

As at June 30, 2025, the WVR Beneficiaries were Dr. Xu Li and Dr. Wang Xiaogang.

(1) Dr. Xu Li beneficially owned 286,317,668 Class A Shares and 570,386,529 Class B Shares, representing approximately 8.25% of the voting rights in the Company on resolutions in general meetings of the Company (except for resolutions in relation to the Reserved Matters, in relation to which each Share carries one vote). The Class A Shares beneficially owned by Dr. Xu Li were held by XWorld, a company wholly owned by Dr. Xu Li, and the Class B Shares were directly held by Dr. Xu Li.

(2) Dr. Wang Xiaogang beneficially owned 223,526,705 Class A Shares and 310,785,171 Class B Shares, representing approximately 6.12% of the voting rights in the Company on resolutions in general meetings of the Company (except for resolutions in relation to the Reserved Matters, in relation to which each Share carries one vote). All the Class A Shares and 8,644,928 Class B Shares beneficially owned by Dr. Wang Xiaogang were held by Infinity Vision, a company wholly owned by Dr. Wang Xiaogang, and the remaining 302,140,243 Class B Shares were directly held by Dr. Wang Xiaogang.

As disclosed in the announcement of the Company dated June 26, 2025, upon the stepping down of Mr. Xu Bing as an executive Director, the weighted voting rights in the 104,190,097 Class A Shares held by Mr. Xu Bing through Vision Worldwide Enterprise Inc. (a company wholly owned by Mr. Xu Bing) has ceased, and the 104,190,097 Class A Shares is expected to be converted into Class B Shares on a one-to-one basis as at the Latest Practicable Date. Following the conversion of the Class A Shares indirectly held by Mr. Xu Bing into Class B Shares, the total number of Class A Shares in issue will be 509,844,373 (representing approximately 12.26% of the voting rights in the Company on resolutions in general meetings of the Company, except for resolutions in relation to the Reserved Matters, in relation to which each Share carries one vote) and the total number of Class B Shares in issue will be 36,497,526,627 (representing approximately 87.74% of the voting rights in the Company on resolutions in general meetings of the Company, except for resolutions in relation to the Reserved Matters, in relation to which each Share carries one vote).

Class A Shares may be converted into Class B Shares on a one to one ratio. Upon the conversion of all the issued and outstanding Class A Shares into Class B Shares (taking into account the Class A Shares held indirectly by Mr. Xu Bing as at the Latest Practicable Date), the Company will issue 614,034,470 Class B Shares, representing approximately 1.69% of the total number of issued and outstanding Class B Shares as at June 30, 2025 or approximately 1.59% as at the date of this interim report.

The weighted voting rights attached to the Class A Shares will cease when the WVR Beneficiaries do not have beneficial ownership of any Class A Shares, in accordance with Rule 8A.22 of the Listing Rules. This may occur:

(1) upon the occurrence of any of the circumstances set out in Rule 8A.17 of the Listing Rules, in particular where all of the WVR Beneficiaries are: (1) deceased; (2) no longer members of our Board; (3) deemed by the Stock Exchange to be incapacitated for the purpose of performing his duties as directors; or (4) deemed by the Stock Exchange to no longer meet the requirements of directors set out in the Listing Rules;

(2) when the holders of Class A Shares have transferred to other persons the beneficial ownership of, or economic interest in, all of the Class A Shares or the control over the voting rights attached to them, other than in the circumstances permitted by Rule 8A.18 of the Listing Rules;

(3) where the vehicles holding Class A Shares on behalf of both WVR Beneficiaries no longer comply with Rule 8A.18(2) of the Listing Rules; or

(4) when all of the Class A Shares have been converted to Class B Shares.

Shareholders and prospective investors are advised to be aware of the potential risks of investing in companies with weighted voting rights structures, in particular that interests of the WVR Beneficiaries may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiaries will be in a position to exert significant influence over the affairs of our Company and the outcome of shareholders' resolutions, irrespective of how other Shareholders vote. Prospective investors should make the decision to invest in the Company only after due and careful consideration.

Continuing Disclosure Obligations Pursuant to the Listing Rules

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

Changes in Directors' and Chief Executive's Information

During the Reporting Period, Mr. Chiu Duncan has been appointed as a new member of the Board of Directors of the Hong Kong Science and Technology Parks Corporation with effect from July 1, 2025.

Save as disclosed above, during the Reporting Period, there is no change in the Directors' information which are required to be disclosed under Rule 13.51B(1) of the Listing Rules.

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

During the Reporting Period, neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including any sale of treasury shares).

Compliance with the Corporate Governance Code

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.

During the Reporting Period, the Company has complied with the corporate governance requirements under the Corporate Governance Code set out in Appendix C1 to the Listing Rules save for code provision C.2.1 of Part 2 of the Corporate Governance Code as discussed below.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Dr. Xu Li currently performs these two roles. The Board believes that vesting the roles of both executive chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority 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 executive 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.

During the Reporting Period up to the date of their stepping down or resignation, each of Mr. Xu Bing (who stepped down on June 26, 2025) and Mr. Li Wei (who resigned with effect from March 15, 2025) was also a Director of the Company. As disclosed in the announcement of the Company dated March 14, 2025, following the resignation of Mr. Li Wei as an independent non-executive Director with effect from March 15, 2025, the Company is temporarily unable to comply with the requirements under Rules 3.10(1) and 3.10A (in respect of having at least three independent non-executive Directors representing at least one-third of the Board), and the requirements under Rules 3.21 (in respect of the audit committee having at least three members with a majority of members comprising independent non-executive Directors), 3.25 (in respect of the remuneration committee having an independent non-executive Director as chairman with a majority of members comprising independent non-executive Directors), 3.27A and 8A.28 (in respect of the nomination committee having an independent non-executive Director as chairman with a majority of members comprising independent non-executive Directors). The Board took active steps to restore compliance with the above requirements following such temporary non-compliance, including to identify suitable candidates to fill the vacancy, and on May 30, 2025, following the appointment of Mr. Chiu Duncan as an independent non-executive Director and certain changes to the composition of the committees of the Board, the Company has re-complied with the aforementioned requirements. For details, please refer to the announcement of the Company dated May 30, 2025.

Interim Dividend

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

Directors' Securities Transactions

The Board has adopted the Model Code as the code of conduct regulating Directors' dealings in securities of the Company. 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.

Audit Committee

The Audit Committee (comprising two independent non-executive Directors, Mr. Lyn Frank Yee Chon (being the chairman of the Audit Committee) and Mr. Chiu Duncan; and the non-executive Director, Ms. Fan Yuanyuan as at the Latest Practicable Date) has reviewed the unaudited interim condensed consolidated financial information and interim report of the Group for the Reporting Period. Mr. Li Wei was a member of the Audit Committee but has ceased to be a member of the Audit Committee with effect from March 15, 2025 following his resignation as the independent non-executive Director. Mr. Chiu Duncan was appointed as an independent non-executive Director and a member of the Audit Committee with effect from May 30, 2025.

The Audit Committee has also discussed matters in relation to the accounting policies and practices adopted by the Company, risk management, internal control and financial reporting with senior management members and the Auditor.

Other Board Committees

In addition to the Audit Committee, the Company has also established a nomination committee, a remuneration committee and a corporate governance committee.

Corporate Governance Committee

The Company has established the Corporate Governance Committee in compliance with Rule 8A.30 of the Listing Rules. The primary duties of the Corporate Governance Committee are to (i) ensure that the Company is operated and managed for the benefit of all Shareholders and (ii) ensure the Company's compliance with the Listing Rules and safeguards relating to the weighted voting rights structures of the Company.

As at the Latest Practicable Date, the Corporate Governance Committee comprises three independent non-executive Directors, namely Prof. Xue Lan, Mr. Lyn Frank Yee Chon and Mr. Chiu Duncan. Prof. Xue Lan is the chairperson of the Corporate Governance Committee. Mr. Li Wei was also a member of the Corporate Governance Committee but has ceased to be a member of the Corporate Governance Committee with effect from March 15, 2025 following his resignation as the independent non-executive Director. Mr. Chiu Duncan was appointed as an independent non-executive Director and a member of the Corporate Governance Committee with effect from May 30, 2025.

During the six months ended June 30, 2025, the Corporate Governance Committee has convened 1 meeting and performed the following major tasks:

- Reviewed and monitored the Company's policies and practices on corporate governance and on compliance with legal and regulatory requirements and made recommendations to the Board as appropriate. The policies reviewed include the code for securities transactions by Directors and relevant employees, the board diversity policy, the shareholders' communication policy, the procedures for nomination of Directors by Shareholders, the disclosure of information policy, the connected transactions policy, the whistleblowing policy, the dividend policy and other corporate governance policies.

- Reviewed the Company's compliance with the Corporate Governance Code, the Company's disclosure in this interim report and the Company's disclosure as required under Chapter 8A of the Listing Rules.

- Reviewed the written confirmation provided by the WVR Beneficiaries that (a) they have been members of the Board throughout the year and that no matters under Rule 8A.17 of the Listing Rules have occurred during the year ended December 31, 2024; and (b) they have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules throughout the year ended December 31, 2024.

- Reviewed and monitored the management of conflicts of interests between the Company, its subsidiary and its consolidated affiliated entities and/or Shareholder on one hand and any WVR Beneficiary on the other.

- Reviewed and monitored all risks related to the weighted voting rights structure.

- Reviewed the training and continuous professional development of Directors and senior management, in particular training relating to requirements under Chapter 8A of the Listing Rules and risks associated with the weighted voting rights structure.

- Made a recommendation to the Board as to the appointment or removal of the compliance advisor.

In particular, the Corporate Governance Committee has confirmed to the Board it is of the view that the Company has adopted sufficient corporate governance measures to manage the potential conflict of interest between the Company, its subsidiary and its consolidated affiliated entities and/or Shareholder on one hand and any WVR Beneficiary on the other, so as to ensure that the operations and management of the Company are in the interests of the Shareholders as a whole indiscriminately. These measures include the Corporate Governance Committee (a) reviewing and monitoring transactions contemplated to be entered into by the Group and making a recommendation to the Board on any matter where there is a potential conflict of interest between the Company, its subsidiary and its consolidated affiliated entities and/or Shareholder on one hand and any WVR Beneficiary on the other, and (b) ensuring that (i) any connected transactions are disclosed and dealt with in accordance with the requirements of the Listing Rules, (ii) the terms of connected transactions are fair and reasonable and in the interest of the Company and its Shareholders as a whole, (iii) any Directors who have a conflict of interest abstain from voting on the relevant board resolution, and (iv) the Compliance Advisor is consulted on any matters related to transactions involving the WVR Beneficiaries or a potential conflict of interest between the Group and any WVR Beneficiary. The Corporate Governance Committee recommended the Board to continue the implementation of these measures and to periodically review their efficacy towards these objectives.

Having reviewed the remuneration and terms of engagement of the Compliance Advisor, the Corporate Governance Committee confirmed to the Board that it was not aware of any factors that would require it to consider either the removal of the current Compliance Advisor or the appointment of a new Compliance Advisor. As a result, the Corporate Governance Committee recommended that the Board retain the services of the Compliance Advisor of the Company.

Definitions

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

"2022 RSU Scheme"	the restricted share unit scheme of the Company adopted by the Board on June 20, 2022 and as amended by a Shareholders' resolution dated June 26, 2024
"Articles" or "Articles of Association"	the twenty-third amended and restated articles of association of the Company, adopted by special resolutions of the shareholders of the Company dated June 23, 2023, and as amended from time to time
"Audit Committee"	the audit committee of the Company
"Auditor"	PricewaterhouseCoopers, the independent auditor of the Company
"Board"	the board of Directors of the Company
"BVI"	the British Virgin Islands
"Class A Share(s)"	class A ordinary shares of the share capital of the Company with a par value of US$0.000000025 each, conferring weighted voting rights in the Company such that a holder of a Class A Share is entitled to 10 votes per share on any resolution tabled at the Company's general meeting, save for resolutions with respect to any Reserved Matters, in which case they shall be entitled to one vote per share
"Class B Share(s)"	class B ordinary shares of the share capital of the Company with a par value of US$0.000000025 each, conferring a holder of a Class B Share one vote per share on any resolution tabled at the Company's general meeting
"Company"	SenseTime Group Inc. (商汤集团股份有限公司), an exempted company incorporated under the laws of Cayman Islands with limited liability, the issued Class B Shares of which are listed on the Main Board of the Stock Exchange (stock codes: 0020 (HKD counter) and 80020 (RMB counter))
"Compliance Advisor"	Haitong International Capital Limited, being the compliance advisor of the Company
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Dr. Wang Xiaogang"	Dr. Wang Xiaogang (王曉剛), the Company's co-founder, executive Director, chief scientist and a WVR Beneficiary

"Dr. Xu Li"	Dr. Xu Li (徐立), the Company's co-founder, executive Chairman of the Board, executive Director, chief executive officer and a WVR Beneficiary
"Excluded Person"	(i) at the time of the proposed grant of RSU under the 2022 RSU Scheme, any connected person of the Company, other than directors or substantial shareholders of any member of the Group, who did not notify the Company that they were connected person of the Company or (ii) any 2022 RSU Scheme Participant who is resident in a place where the award of the RSUs and/or the vesting and transfer of the Shares underlying the vested RSUs pursuant to the terms of the 2022 RSU Scheme is not permitted under the laws and regulations of such place such that in the view of the Board or the Chairman, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such 2022 RSU Scheme Participant
"Group", "SenseTime" or "we"	the Company and its subsidiaries and consolidated affiliated entities
"HKD"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"Independent Third Party(ies)"	individual(s) or company(ies) who or which, to the best of the Director's knowledge having made all due and careful enquiries, is/are independent from and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholder (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
"Infinity Vision"	Infinity Vision Enterprise Inc., a business company incorporated under the laws of BVI with limited liability, which is wholly-owned by Dr. Wang Xiaogang
"JPY"	Japanese Yen, the lawful currency of Japan
"Latest Practicable Date"	September 22, 2025, being the latest practicable date prior to the printing of this interim report, for the purpose of ascertaining certain information contained in this interim report
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of the Company, adopted by special resolutions of the shareholders of the Company dated June 23, 2023, and as amended 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
"PRC" or "China"	the People's Republic of China
"Pre-IPO ESOP"	the pre-IPO employee incentive scheme adopted by the Company on November 1, 2016 as amended from time to time
"Pre-IPO RSU Plan"	the pre-IPO restricted share units plan adopted by the Company on November 1, 2016 as amended from time to time
"Reporting Period"	the six months ended June 30, 2025
"RMB"	Renminbi, the lawful currency of the PRC
"Reserved Matters"	those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to the Articles of Association, being: (i) any amendment to the Memorandum of Association or Articles of Association; (ii) the variation of rights attached to any class of shares; (iii) the appointment, election or removal of any independent non-executive Director; (iv) the appointment, election or removal of the Company's auditor; and (v) the voluntary liquidation or winding-up of the Company
"SenseTalent"	SenseTalent Management Limited, a business company incorporated under the laws of BVI with limited liability holding our ordinary Shares pursuant to the Pre-IPO ESOP and the Pre-IPO RSU Plan
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SGD"	Singapore Dollars, the lawful currency of Singapore
"Share(s)"	the Class A Shares and Class B Shares in the share capital of our Company, as the context so requires
"Shareholder(s)"	the holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD"	United States Dollars, the lawful currency of the United States

"WVR Beneficiary(ies)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Dr. Xu Li, and Dr. Wang Xiaogang, being holders of the Class A Shares, entitling each to weighted voting rights
"WVR Structure"	has the meaning ascribed to it in the Listing Rules
"XWorld"	XWORLD Enterprise Inc., a business company incorporated under the laws of BVI with limited liability which is wholly-owned by Dr. Xu Li


商汤
sensetime
SenseTime Group Inc.
商汤集团股份有限公司