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Black Sesame International Holding Limited

黑芝麻智能國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2533)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

The Board is pleased to announce the audited consolidated financial results of the Group for the year ended December 31, 2025 together with comparative figures for the year ended December 31, 2024. The consolidated financial results for the year ended December 31, 2025 have been audited by the Auditor in accordance with the International Standards on Auditing, and reviewed and confirmed by the Board and the Audit Committee.

KEY HIGHLIGHTS

Financial Summary

	Year ended December 31,				Year-over-
	2025	2024	Amount	revenue	year change
	Amount	% of revenue	Amount	% of revenue	%
	<i>(RMB in thousands, except for percentages)</i>				
Revenue	822,328	100.0	474,252	100.0	73.4
Gross profit	337,089	41.0	194,708	41.1	73.1
(Loss)/profit for the year	(1,424,700)	(173.3)	313,315	66.1	(554.7)
Non-IFRS Measures:					
Adjusted net loss	(1,075,674)	(130.8)	(1,304,251)	(275.0)	(17.5)

* For identification purposes only

BUSINESS REVIEW

In 2025, the Company continued to solidify its leading position in the intelligent vehicle computing chip sector while achieving strategic breakthroughs in innovative on-device artificial intelligence (“AI”) businesses such as embodied AI. Its full-year revenue reached RMB822 million, representing a year-on-year increase of 73.4%, and its gross profit margin was 41.0%, remained relatively stable when compared with last year. Driven by the rapid growth of the embodied AI & solution business, the enhanced gross margin from advanced driving assistance system products and solutions due to scaled deployment, and the reduced operating costs, the Company’s full-year operating loss narrowed by 17.5% year-on-year. Overall, the Company’s financial data demonstrated a positive trend characterized by rapid business scaling, focused strategic investment, and improved growth quality.

I. Propelling Intelligent Driving Business to New Heights with “Huashan” + “Wudang” Dual Product Lines

In 2025, the Company’s mass production progress for the Huashan and Wudang series chips continued to accelerate.

- The Huashan A1000 series chips, with a lifecycle spanning over 5 years, have been successfully integrated into multiple vehicle models from manufacturers such as Geely, Dongfeng, BYD, and FAW. Beyond the domestic market in China, the Huashan A1000 series chips have also begun to penetrate into global markets, becoming the main contributor to the Company’s chip sales in 2025. With the increase in mass-produced vehicle models, the Company has accumulated extensive experience in advanced driving assistance. This expertise has facilitated its entry into commercial vehicle sectors such as unmanned postal logistics vehicles, unmanned cleaning vehicles, and trucks. Notably, the A1000 chips were successfully deployed in the commercial vehicles from Chery and Shaanxi Automobile during the year, providing active safety solutions; and the chips were also deployed in Desay SV “Chuanxing Zhiyuan” S6 series unmanned vehicles this year, providing high-safety computing power for unmanned operations in last-mile logistics through its “dual-brain redundancy” architecture.
- The Wudang C1200 series chips, as the industry-leading central computing chip platform, advanced from design win to mass production in 2025. These series chips have entered mass production for new vehicle models of leading vehicle manufacturers, while undergoing validation and delivery at multiple vehicle manufacturers, catering to diverse needs including cockpit-driving-parking integration and entry-level intelligent driving. The C1200’s safety-focused intelligent base architecture has also gained recognition from OEMs and is undergoing validation in multiple new projects.

- The Company’s latest iteration, the Huashan A2000 series chips as the world’s first panoramic general-purpose high-computing power chips, represents the core strength of the Company’s foray into advanced intelligent driving. Fabricated with advanced 7nm process technology, they are the industry pioneer in supporting full FP16/FP8 floating-point and multiple precision formats like INT4/INT8/INT16. Coupled with a mature AI toolchain, they enable efficient end-to-end development for model deployment and optimization. As of now, the A2000 is undergoing deep adaptation and validation for end-to-end and Vision-Language-Action (VLA) algorithms with core algorithm partners such as DeepRoute.ai and Nullmax, and has secured designated projects from leading vehicle manufacturers. The Company will proceed with sample deliveries to more leading vehicle manufacturers, with multiple mass production projects expected to materialize within 2026.

II. Pioneering a New Paradigm for Embodied Intelligence with the SesameX Platform and Realizing Commercial Deployment in the Embodied AI & Solution Business

In 2025, with the launch of the SesameX platform, the Company transitioned from a leader in intelligent driving to a full-stack on-device AI chip supplier. The SesameX platform, guided by a “full-brain intelligence” system, pioneers a new paradigm for embodied intelligence. Through its three core modules, i.e., Kalos, Aura, and Liora, the SesameX platform provides robots with full-stack computing power ranging from basic control to advanced cognition. During the Reporting Period, the Company collaborated with leading companies in the robotics industry chain, including Deep Robotics, Fourier Intelligence, Lenovo, AI² Robotics, Geek+, Yunji Technology, Tianwen Humanoid Robot and Joyson Electronic, collectively promoting the commercialization of embodied intelligence. This has resulted in scaled deliveries in scenarios such as quadruped robots and intelligent shipping inspections, establishing a dual-core growth pattern alongside the intelligent driving business. In 2025, the Company’s embodied AI & solution business revenue reached RMB96.3 million, marking a significant year-over-year increase.

III. Achieving Intelligent Imaging and General AI Business

In 2025, the Company’s intelligent imaging solutions continued to undergo iterative upgrades, achieving ongoing commercial progress in the field of on-device AI imaging. During the year, the Company partnered with Li Auto, providing customized imaging algorithms for its first AI glasses, Livis. These algorithms cover core functions such as High Dynamic Range (HDR) fusion, multi-frame noise reduction, video stabilization, and portrait optimization. Up to now, the product has started its mass production. Simultaneously, the Company is currently co-developing AI glasses with its several leading customers, and expects that more AI glasses will utilize its internationally leading imaging algorithms. The Company possesses years of accumulated technical expertise in the field of AI imaging, with its related solutions having been deployed in over 500 million devices to date. Leveraging its technological advantages in on-device AI imaging, the Company is accelerating the development of on-device large models and AI Agent-related technologies. This effort aims to extend imaging capabilities from image processing to multimodal understanding and intelligent decision-making, thus constructing a next-generation intelligent imaging technology system.

The Company’s General AI hardware-software collaboration solution has also achieved scaled implementation, with solutions for intelligent traffic management, parking, and rail transit deployed in multiple locations, including Shanghai, Zhejiang, Chengdu, and Qingdao.

BUSINESS OUTLOOK

I. Achieving L2-L4 Full-Scenario Expansion for the Vehicle Intelligent Driving Business

2026 is a pivotal year for the Company's intelligent driving business, marked by scaled mass production and strategic technological deployment for the next phase of development. Centered around the Huashan A2000 chips, the Company will complete solution adaptation and mass production, assisting partners in achieving large-scale implementation of L3-level advanced driving assistance. Concurrently, the Company will strategically expand into L4-level Robotaxi scenarios, promoting mass production collaboration with Apollo Go within the year and accelerating cooperation with other L4 leading manufacturers. The Company will also focus on promoting batch shipments in commercial vehicle sectors such as construction machinery, street sweepers, unmanned logistics, and Automobile light trucks, achieving scaled penetration in L2-L3-level commercial vehicles and L4-level unmanned logistics scenarios. Leveraging the global market access advantage gained by the A2000 through passing relevant US reviews, the Company will accelerate the mass production application in overseas vehicle projects, striving to build the most open and user-friendly advanced computing platform.

II. Maintaining a High-Growth Trajectory for the Embodied AI & Solution Business

The Company will position the embodied AI and solution business as a strategic new venture, forming dual core growth engines alongside advanced intelligent driving. In 2026, the Company will promote the scaled deployment of the SesameX platform in scenarios such as logistics, manufacturing, and services. Utilizing the Kalos, Aura, and Liora series, the platform will cater to the needs for robots with varying complexities and forms, constructing a "whole-brain architecture for robotics". In terms of ecosystem collaboration, the Company aims to establish benchmark projects in areas like embodied AI terminals. It will continue to advance partnerships with leading robotics enterprises, and implement application solutions such as industrial robots, inspection robots, dexterous hands, and garbage-sorting robotic arms.

III. Completing On-device AI Deployment

In 2026, the Company will finalize the acquisition of Eeasy Technology Co., Ltd. (珠海億智電子科技有限公司) (“**Eeasy Tech**”), and adopt a core strategy centered on “chips + algorithms + scenarios” to unlock the incremental market for entry-level computing power, covering diverse scenarios such as intelligent driving and intelligent hardware. Both parties will integrate their R&D resources, and achieve sharing in core IPs, algorithm optimization, and toolchains, thereby enhancing the energy efficiency ratio and scenario adaptability of on-device AI chips. Leveraging Eeasy Tech’s experience in AI SoC chip design and AI algorithms, synergies will be created with Black Sesame’s in-vehicle product lines. The collaboration will focus on co-defining and co-developing the in-vehicle products with 2T-10T computing power, covering scenarios like integrated front-view cameras, dashcams, and Driver Monitoring System (DMS). In terms of intelligent hardware, Eeasy Tech’s next-generation AI SoC chips are expected to expand horizontally from existing applications like intelligent pan-tilts, action Digital Video (DV) cameras, and AI glasses into areas such as AI companion toys, robotic vacuum cleaners, and lawn mowing robots. Following this acquisition, the Company’s product portfolio will achieve comprehensive coverage across high, mid, and low tiers, providing complete AI inference chip solutions ranging from cloud-side to on-device, and automotive-grade to consumer-grade, for intelligent vehicles, robots, and various AIoT terminals. This will significantly enhance its cross-scenario synergies, establishing a solid foundation for the broader on-device AI market in 2026 and beyond.

IV. Consistently Maintaining Forward-Looking Technology Development

In 2026, the Company’s R&D efforts will revolve around three core pillars: “Productization Implementation, Technological Evolution, and Platform Upgrading”. continuously strengthening its core competitiveness and accelerating the translation of key technologies from R&D to industrialization. The Company will complete the experimentation and validation of the next-generation intelligent visual processing IPs, deliver the next-generation neural network accelerator (NPU) IPs to the SoC teams, drive tape-out of new chips within 2026, initiate market promotion, and it will initiate the design of the latest generation of more flexible and efficient NPU architecture. For existing platforms, the Company will refine kernel development for A2000 to match GPU precision, and upgrade model adaptation and precision calibration toolchains to achieve consistency between training and inference precision. It will also strengthen the A2000 end-to-end toolchain capabilities, optimizing tools for performance tuning, prototype operators, and firmware development. Additionally, the Company will launch a chip support package that seamlessly integrates with mainstream AUTOSAR and a visual configuration tool, aiming to enhance customer self-development system and integration efficiency by over 50%. To proactively prepare for future technology tracks and ensure supply chain stability, the Company will also actively conduct pre-research on domestic process-based computing chips and toolchains.

Overall, the Group achieved steady growth in its revenue and gross profit, experienced a reduction in its losses, and optimized its business structure in 2025. Its core intelligent driving business remained robust, with mass production scale continuing to expand and overseas markets achieving breakthroughs. Its new businesses like embodied AI and solution transitioned from technological exploration to commercial implementation, contributing new incremental revenue. At the end of 2025, the Company signed an acquisition agreement relating to Eeasy Tech, the Company further extended its product lines into the on-device AI domain, laying a foundation for expanding into broader application scenarios in the future.

In 2026, the Group will continue to focus on on-device AI directions such as intelligent vehicles and embodied AI and solution, advancing mass production delivery, technological iteration, and market expansion, and striving to achieve sustained expansion of business scale and gradual improvement in profitability.

MANAGEMENT DISCUSSION AND ANALYSIS

Year ended December 31, 2025 compared to Year ended December 31, 2024

The following table sets forth the comparative figures for the years ended December 31, 2025 and 2024:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Revenue	822,328	474,252
Cost of sales	<u>(485,239)</u>	<u>(279,544)</u>
Gross profit	337,089	194,708
Selling expenses	(87,894)	(120,797)
General and administrative expenses	(298,329)	(368,819)
Research and development expenses	(1,417,423)	(1,435,156)
Net impairment losses on financial assets	(9,897)	(29,067)
Other income	16,071	14,740
Other gains/(losses)-net	<u>12,063</u>	<u>(9,591)</u>
Operating loss	(1,448,320)	(1,753,982)
Finance income	58,175	41,084
Finance costs	(33,595)	(18,074)
Finance income – net	24,580	23,010
Share of net loss of associates accounted for using the equity method	(939)	(2,325)
Fair value change in financial instruments issued to investors	<u>–</u>	<u>2,046,612</u>
(Loss)/profit before income tax	<u>(1,424,679)</u>	<u>313,315</u>
Income tax expense	<u>(21)</u>	<u>–</u>
(Loss)/profit for the year attributable to the equity holders of the Company	<u>(1,424,700)</u>	<u>313,315</u>
Non-IFRS Measures		
Adjusted net loss	<u>(1,075,674)</u>	<u>(1,304,251)</u>

Revenue

Our revenue increased by 73.4% from RMB474.3 million for the year ended December 31, 2024 to RMB822.3 million for the year ended December 31, 2025, primarily driven by revenue growth from the following items:

Driving Assistance Products and Solutions

Our revenue from driving assistance products and solutions increased by 56.8% from RMB438.0 million for the year ended December 31, 2024 to RMB686.9 million for the year ended December 31, 2025, primarily due to (i) in the passenger vehicle segment, the launch of new vehicle models equipped with our Huashan Series Chips as standard and their strong sales performance, driving a continuous increase in the sales volume of our advanced assisted driving chips and solutions; (ii) in the L2-L3 commercial vehicle segment, our market competitiveness further improved, with a significant increase in both the number of customers and the average revenue per customer; and (iii) the achievement of batch shipments in L4 scenarios such as unmanned logistics.

Intelligent Imaging Solutions

Our revenue from intelligent imaging solutions increased by 7.9% from RMB36.3 million for the year ended December 31, 2024 to RMB39.2 million for the year ended December 31, 2025, primarily due to the expansion of our intelligent imaging solutions products into areas such as AI glasses.

Embodied AI and Solutions

Our revenue from embodied AI and solutions for the year ended December 31, 2025 was RMB96.3 million, primarily due to the successful launch of the SesameX full-stack computing platform in 2025, which secured a substantial number of orders, and the active pursuit of new growth drivers through diversified deployment, resulting in substantial orders from multiple leading robotics enterprises.

Cost of Sales

Our cost of sales increased by 73.6% from RMB279.5 million for the year ended December 31, 2024 to RMB485.2 million for the year ended December 31, 2025, primarily due to the following factors:

Driving Assistance Products and Solutions

The cost of sales for driving assistance products and solutions increased by 56.8% from RMB274.2 million for the year ended December 31, 2024 to RMB429.8 million for the year ended December 31, 2025, which is broadly in line with the growth trend in revenue from driving assistance products and solutions.

Intelligent Imaging Solutions

The cost of sales for intelligent imaging solutions increased by 12.4% from RMB5.3 million for the year ended December 31, 2024 to RMB6.0 million for the year ended December 31, 2025, which is broadly in line with the growth trend in revenue from intelligent imaging solutions.

Embodied AI and Solutions

The cost of sales for embodied AI and solutions for the year ended December 31, 2025 was RMB49.4 million, primarily relating to the acquisition of ancillary technical services compatible with our SesameX full-stack computing platform.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our overall gross profit increased by 73.1% from RMB194.7 million for the year ended December 31, 2024 to RMB337.1 million for the year ended December 31, 2025. Our gross profit margin for driving assistance products and solutions remained relatively stable at 37.4% for both the years ended December 31, 2024 and December 31, 2025. Our gross profit margin for intelligent imaging solutions business also remained relatively stable at 85.4% for the year ended December 31, 2024 and 84.7% for the year ended December 31, 2025. While maintaining a stable gross profit margin, the Company's products also maintain a favorable competitive position in the market. In addition, our new business, embodied AI and solutions, achieved a gross profit margin of 48.7% for the year ended December 31, 2025, reflecting a substantial gross profit margin attained in the initial phase of our entry into the new business. Our overall gross profit margin remained relatively stable at 41.1% for the year ended December 31, 2024 and 41.0% for the year ended December 31, 2025.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB1,435.2 million for the year ended December 31, 2024 and RMB1,417.4 million for the year ended December 31, 2025, primarily due to the combined effects of our increased investment in AI and computing power and the decrease in share-based compensation expenses for our R&D personnel.

Selling Expenses

Our selling expenses decreased by 27.2% from RMB120.8 million for the year ended December 31, 2024 to RMB87.9 million for the year ended December 31, 2025, primarily due to a decrease in share-based compensation expenses for the sales team.

General and Administrative Expenses

Our general and administrative expenses decreased by 19.1% from RMB368.8 million for the year ended December 31, 2024 to RMB298.3 million for the year ended December 31, 2025, primarily due to a decrease in share-based compensation expenses for administrative management staff and a decrease in listing expenses.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets amounted to RMB29.1 million and RMB9.9 million for the years ended December 31, 2024 and 2025, respectively.

Other Income

Our other income increased from RMB14.7 million for the year ended December 31, 2024 to RMB16.1 million for the year ended December 31, 2025, primarily due to an increase in government grants.

Other Gains/(Losses) – Net

We recorded other losses of RMB9.6 million for the year ended December 31, 2024, whereas for the year ended December 31, 2025, we recorded other gains of RMB12.1 million, primarily due to an increase in foreign exchange gains resulting from exchange rate fluctuations and an increase in gains from debt restructuring.

Finance Income – Net

Our finance income increased by 6.8% from RMB23.0 million for the year ended December 31, 2024 to RMB24.6 million for the year ended December 31, 2025, primarily due to an increase in interest income from bank deposits.

Fair Value Change in Financial Instruments Issued to Investors

We recorded fair value gain in financial instruments issued to investors of RMB2,046.6 million for the year ended December 31, 2024, whereas for the year ended December 31, 2025, there was no fair value change in financial instruments issued to investors, primarily due to the conversion of our preferred shares into ordinary shares upon listing.

Loss for the Year

As a result of the foregoing, we recorded a profit of RMB313.3 million for the year ended December 31, 2024, whereas we recorded a net loss of RMB1,424.7 million for the year ended December 31, 2025.

Non-IFRS Measure

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

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

The following tables reconcile our adjusted net loss for the years presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is net (loss)/profit for the year:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Reconciliation of net (loss)/profit to adjusted net loss		
(non-IFRS measure):		
(Loss)/profit for the year	(1,424,700)	313,315
Add:		
Fair value change in financial instruments issued to investors	–	(2,046,612)
Share-based compensation expenses	349,026	429,046
	<u>(1,075,674)</u>	<u>(1,304,251)</u>
Adjusted net loss for the year (non-IFRS measure)	(1,075,674)	(1,304,251)

LIQUIDITY AND FINANCIAL RESOURCES

We have historically funded our cash requirements principally from capital contributions from Shareholders. As of December 31, 2025, we had cash and cash equivalents and current financial assets at fair value through profit or loss of RMB1,530.7 million, compared to the balance of RMB1,622.9 million as of December 31, 2024.

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

	Year ended December 31,	
	2025	2024
	<i>(RMB in thousands)</i>	
Net cash used in operating activities	(985,373)	(1,189,754)
Net cash used in investing activities	(179,605)	(223,006)
Net cash generated from financing activities	1,198,740	1,552,007
Net increase in cash and cash equivalents	33,762	139,247
Cash and cash equivalents at the beginning of the year	1,448,106	1,298,412
Effects of exchange rate changes on cash and cash equivalents	(35,112)	10,447
	<u>1,446,756</u>	<u>1,448,106</u>
Cash and cash equivalents at the end of the year	1,446,756	1,448,106

Indebtedness

Our indebtedness mainly includes borrowings and lease liabilities. The following table sets forth a breakdown of our borrowings and lease liabilities as of the dates indicated:

	As of December 31, 2025	As of December 31, 2024
	<i>(RMB in thousands)</i>	
Borrowings	739,892	674,212
Lease liabilities	38,682	48,187
Total	778,574	722,399

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

Exposure to Exchange Rate Fluctuation

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

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

Employees, Training and Remuneration Policies

As of December 31, 2025, the Group had 1,037 employees. The number of employees employed by the Group varies from time to time depending on needs.

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

The Company also adopted a Pre-IPO Share Scheme on September 7, 2016, which was amended on December 31, 2021, and adopted a Post-IPO Share Scheme on July 26, 2024, to provide incentives to eligible participants.

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

Use of Proceeds from the Global Offering

The shares of the Company were listed on the Stock Exchange on August 8, 2024. The net proceeds from the Global Offering were approximately HK\$950.8 million (the “**Net Proceeds from the Global Offering**”) after deducting underwriting fees and commissions and relevant expenses payable by us in connection with the Global Offering. Please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus for details of the intended use of the Net Proceeds from the Global Offering.

During the Reporting Period, the Group utilized approximately HK\$560.7 million of the Net Proceeds from the Global Offering for the intended purposes as set out in the Prospectus. As at the end of the Reporting Period, the Net Proceeds from the Global Offering had been fully utilized.

Details of the use of the Net Proceeds from the Global Offering are set out below:

Intended use of the Net Proceeds from the Global Offering as set out in the Prospectus	Planned proportion of the net proceeds (%)	Planned use of the net proceeds (Approximately HK\$ million)	Net proceeds unused as of January 1, 2025 (Approximately HK\$ million)	Actual use of net proceeds during the Reporting Period (Approximately HK\$ million)
(i) Research and development	80.0	760.6	416.4	416.4
• Development of intelligent vehicle SoCs	30.0	285.2	171.8	171.8
• Procurement of materials, tape-out services and software, for R&D of intelligent vehicle SoCs and automotive-grade IP cores	20.0	190.2	81.2	81.2
• Development and upgrade of support software for intelligent vehicles	25.0	237.7	121.1	121.1
• Development of assisted driving solutions	5.0	47.5	42.4	42.4
(ii) Improvement of commercialization capability	10.0	95.1	68.5	68.5
(iii) Working capital and general corporate purposes	10.0	95.1	75.8	75.8
Total	100.0	950.8	560.7	560.7

Use of Proceeds from the Placing of Shares under General Mandate

To further raise funds to support the Group's continuous development and business growth, on February 19, 2025, the Company entered into a placing agreement (the "**Placing Agreement**") with China International Capital Corporation Hong Kong Securities Limited and Huatai Financial Holdings (Hong Kong) Limited in relation to the placing of 53,650,000 new Shares at the placing price of HK\$23.20 per share to no less than six placees who and whose ultimate beneficial owner(s) (where applicable) are independent third parties (the "**Placing**"). All the conditions set out in the Placing Agreement were fulfilled and the Placing was completed on February 26, 2025, where a total of 53,650,000 new Shares (with an aggregate nominal value of US\$5,365) have been successfully placed to no less than six placees at the placing price of HK\$23.20 pursuant to the terms and conditions of the Placing Agreement. The closing price of the Shares as quoted on the Stock Exchange on February 18, 2025, being the date on which the placing price was fixed, was HK\$26.30 per Share. For details, please refer to the announcements of the Company dated February 19, 2025 and February 26, 2025, respectively.

After deducting the Placing commission and other relevant costs and expenses of the Placing, the net proceeds from the Placing amounted to approximately HK\$1,237.4 million (the “**Net Proceeds from the Placing**”) (representing a net issue price of approximately HK\$23.06 per Share). During the Reporting Period, the Group utilized approximately HK\$724.7 million of the Net Proceeds from the Placing. The unused net proceeds were held by way of deposits in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). Details of the use of the Net Proceeds from the Placing and the expected timeline for fully utilizing the Net Proceeds from the Placing are set out as follows:

Intended use of the Net Proceeds from the Placing	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)	Unused net proceeds as of December 31, 2025 (Approximately HK\$ million)	Expected timeline for fully utilizing the Net Proceeds from the Placing ⁽¹⁾
(i) Research and Development of Core Technology	30.0	371.2	207.0	164.2	
• Development of next-generation intelligent automotive SoCs	20.0	247.5	124.0	123.5	Within 2026
• Development of assisted driving solutions	10.0	123.7	83.0	40.7	Within 2026
(ii) Research and Development of Advanced Technology	25.0	309.4	183.5	125.9	
• Development of core IPs	20.0	247.5	141.6	105.9	Within 2026
• Development of robotics technology	5.0	61.9	41.9	20.0	Within 2026
(iii) Enhancement of the Group’s Commercialization Capabilities	27.0	334.1	151.8	182.3	
• Enhancement of product and solution delivery capabilities	17.0	210.4	102.5	107.9	Within 2026
• Expansion of the sales team	10.0	123.7	49.3	74.4	Within 2026
(iv) Selective Strategic Investments	8.0	99.0	99.0	–	
(v) General Working Capital Purposes	10.0	123.7	83.4	40.3	Within 2026
Total	100.0	1,237.4	724.7	512.7	

Note:

- (1) The expected timeline for utilizing the remaining Net Proceeds from the Placing is prepared based on the current best estimate made by the Group, which is subject to change according to the current and future development of market conditions.

Gearing Ratio

Our gearing ratio, being borrowings divided by total equity and multiplied by 100%, was 61.7% and 63.8% as of December 31, 2024 and December 31, 2025, respectively.

Contingent Liabilities

The Group is subject to legal proceedings and regulatory actions in the ordinary course of business. The results of such proceedings cannot be predicted with certainty, but the Group does not anticipate that the outcome arising out of such matters will have a material adverse effect on the consolidated financial statements on an individual basis or in the aggregate.

Significant Investments Held

As of December 31, 2025, we did not hold any significant investments (including any investment in an investee company that accounts for 5% or more of the Group's total assets as at December 31, 2025).

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Acquisition of 60% equity interest in the target company through the Equity Transfer and the Capital Increase

On December 31, 2025, Black Sesame Wuhan (an indirect wholly-owned subsidiary of the Company), the Vendors (the 21 existing shareholders of the Target Company), the Management Shareholders and the Target Company (Eeasy Technology Co., Ltd. (珠海億智電子科技有限公司)) entered into the Equity Transfer Agreement, pursuant to which the Purchasers (collectively, Black Sesame Wuhan and the SPV) agreed to purchase and the Vendors agreed to sell an aggregate of 32.8435% equity interest in the Target Company (representing 19.5623% of the enlarged total equity interest of the Target Company after the Capital Increase), at a total consideration of RMB457,800,000, and the Purchasers shall pay the corresponding unpaid registered capital of RMB133,088 to the Target Company.

On the same date, SPV (an indirect wholly-owned subsidiary of the Company), the Management Shareholders, the Existing Shareholders, the Employees Partnerships and the Target Company entered into the Capital Increase Agreement, pursuant to which the SPV subscribed for the newly increased registered capital in the Target Company of RMB20,218,838 (representing 40.4377% of the enlarged total equity interest of the Target Company after the Capital Increase) at a consideration of RMB20,218,838.

Completion of the Equity Transfer and the Capital Increase are inter-conditional upon each other. Upon completion of the Equity Transfer and the Capital Increase, the Company will indirectly own 60% equity interest in the Target Company through the SPV, and the Target Company will become a non-wholly owned subsidiary of the Company, and its financial results will be consolidated into the Group's consolidated financial statements.

The above Acquisition will be submitted to the Company's general meeting for consideration and approval. For further details of the Acquisition, please refer to the Company's announcements dated December 31, 2025 and January 27, 2026 (the "**Announcements**"). Terms used herein have the same meanings as defined in the Announcements.

Save as disclosed above, during the Reporting Period, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Pledge of Assets

As of December 31, 2025, we did not pledge any of our assets.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this announcement and the Prospectus, we have no specific future plan for material investments and acquisition of capital assets as of December 31, 2025 and up to the date of this announcement. The Group will continue to identify new investment opportunities in companies with principal businesses related to the Group's core business with a view to create synergies with the Group's existing core business and improve the Group's service and products to its customers.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The following table sets forth the comparative figures for the years ended December 31, 2025 and 2024:

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	822,328	474,252
Cost of sales	(485,239)	(279,544)
Gross profit	337,089	194,708
Selling expenses	(87,894)	(120,797)
General and administrative expenses	(298,329)	(368,819)
Research and development expenses	(1,417,423)	(1,435,156)
Net impairment losses on financial assets	(9,897)	(29,067)
Other income	16,071	14,740
Other gains/(losses)	12,063	(9,591)
Operating loss	(1,448,320)	(1,753,982)
Finance income	58,175	41,084
Finance costs	(33,595)	(18,074)
Finance income – net	24,580	23,010
Share of net loss of associates accounted for using the equity method	(939)	(2,325)
Fair value change in financial instruments issued to investors	–	2,046,612
(Loss)/profit before income tax	(1,424,679)	313,315
Income tax expense	(21)	–
(Loss)/profit for the year attributable to the equity holders of the Company	(1,424,700)	313,315
Non-IFRS Measures		
Adjusted net loss	(1,075,674)	(1,304,251)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	75,051	79,799
Right-of-use assets	36,449	48,372
Intangible assets	30,879	39,065
Investments accounted for using the equity method	13,912	14,851
Prepayments and other receivables	14,592	13,131
Financial assets at fair value through profit or loss (“FVPL”)	147,380	21,102
Total non-current assets	318,263	216,320
Current assets		
Inventories	51,225	68,484
Trade and notes receivables	499,713	258,067
Prepayments and other receivables	246,828	151,454
Financial assets at FVPL	83,928	174,804
Cash and cash equivalents	1,446,756	1,448,106
Total current assets	2,328,450	2,100,915
Total assets	2,646,713	2,317,235
LIABILITIES		
Non-current liabilities		
Borrowings	–	201,360
Lease liabilities	19,118	32,788
Other payables and accruals	29,316	39,149
Total non-current liabilities	48,434	273,297

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Current liabilities		
Trade payables	213,299	117,293
Contract liabilities	17,411	440
Borrowings	739,892	472,852
Lease liabilities	19,564	15,399
Other payables and accruals	449,162	344,739
	<hr/>	<hr/>
Total current liabilities	1,439,328	950,723
	<hr/>	<hr/>
Total liabilities	1,487,762	1,224,020
	<hr/>	<hr/>
EQUITY		
Equity attributable to owners of the Company		
Share capital	453	401
Other equity	(17)	(17)
Reserves	13,751,396	12,261,012
Accumulated losses	(12,592,881)	(11,168,181)
	<hr/>	<hr/>
Total equity	1,158,951	1,093,215
	<hr/>	<hr/>
Total equity and liabilities	2,646,713	2,317,235
	<hr/>	<hr/>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company				Total RMB'000
	Share capital RMB'000	Other equity RMB'000	Reserves RMB'000	Accumulated losses RMB'000	
As at January 1, 2024	46	–	353,580	(11,447,242)	(11,093,616)
Comprehensive income					
Profit for the year	–	–	–	313,315	313,315
Foreign currency translation	–	–	(82,024)	–	(82,024)
Fair value change on redeemable convertible preferred shares due to own credit risk	–	–	2,821	–	2,821
Total comprehensive income for the year	–	–	(79,203)	313,315	234,112
Transactions with owners in their capacity as owners					
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs	26	–	865,280	–	865,306
Conversion of redeemable convertible preferred shares to ordinary shares	296	–	10,674,821	(34,254)	10,640,863
Share-based compensation expenses	–	–	429,046	–	429,046
Issuance of ordinary shares to employee share scheme trusts	17	(17)	–	–	–
Exercise of share options	16	–	17,488	–	17,504
Total transactions with owners in their capacity as owners for the year	355	(17)	11,986,635	(34,254)	11,952,719
As at December 31, 2024	401	(17)	12,261,012	(11,168,181)	1,093,215

	Attributable to equity holders of the Company				Total RMB'000
	Share capital RMB'000	Other equity RMB'000	Reserves RMB'000	Accumulated losses RMB'000	
As at January 1, 2025	<u>401</u>	<u>(17)</u>	<u>12,261,012</u>	<u>(11,168,181)</u>	<u>1,093,215</u>
Comprehensive loss					
Loss for the year	-	-	-	(1,424,700)	(1,424,700)
Foreign currency translation	-	-	(46,965)	-	(46,965)
Total comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>(46,965)</u>	<u>(1,424,700)</u>	<u>(1,471,665)</u>
Transactions with owners in their capacity as owners					
Issuance of ordinary shares relating to placing, net of issuance costs	39	-	1,142,100	-	1,142,139
Share-based compensation expenses	-	-	349,026	-	349,026
Exercise of share options	13	-	44,647	-	44,660
Others	-	-	1,576	-	1,576
Total transactions with owners in their capacity as owners for the year	<u>52</u>	<u>-</u>	<u>1,537,349</u>	<u>-</u>	<u>1,537,401</u>
As at December 31, 2025	<u>453</u>	<u>(17)</u>	<u>13,751,396</u>	<u>(12,592,881)</u>	<u>1,158,951</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Cash flows from operating activities		
Cash used in operations	(1,043,077)	(1,230,315)
Interest received from cash at banks	57,725	40,561
Payment for income taxes	(21)	–
	<hr/>	<hr/>
Net cash used in operating activities	(985,373)	(1,189,754)
Cash flows from investing activities		
Payments of property, plant and equipment	(49,883)	(33,887)
Loans to a related party	(85,000)	–
Payments for intangible assets	(35,876)	(21,760)
Payments for financial assets at FVPL	(131,720)	(175,717)
Proceeds from maturity of financial assets at FVPL	122,874	8,358
	<hr/>	<hr/>
Net cash used in investing activities	(179,605)	(223,006)
Cash flows from financing activities		
Issuance of ordinary shares relating to placing net of issuance costs	1,142,139	–
Proceeds from issuance of ordinary shares	–	925,707
Proceeds from borrowings	540,000	710,000
Repayment of borrowings	(480,000)	(30,000)
Interests paid for borrowings	(22,791)	(8,612)
Payment for financing transaction costs	(5,943)	(25,208)
Proceeds from refund of financing transaction costs	1,576	–
Principal payments of lease liabilities	(17,343)	(23,239)
Interest paid for lease liabilities	(2,166)	(2,723)
Payments for listing expenses	(1,392)	(1,103)
Proceeds from exercise of stock options	44,660	7,185
	<hr/>	<hr/>
Net cash generated from financing activities	1,198,740	1,552,007
Net increase in cash and cash equivalents	33,762	139,247
Cash and cash equivalents at the beginning of the year	1,448,106	1,298,412
Exchange (losses)/gains on cash and cash equivalents	(35,112)	10,447
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	1,446,756	1,448,106

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

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

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

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

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

2. SUMMARY OF ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS Accounting Standards**”) as issued by International Accounting Standards Board (“**IASB**”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets at FVPL and financial instruments issued to investors, which are carried at fair value.

The Group is in the development phase and has been incurring losses from operations since incorporation. For the year ended December 31, 2025, the Group incurred operating losses of RMB1,448,320,000 and the Group’s net cash used in operating activities was RMB985,373,000, attributable primarily to significant research and development (“**R&D**”) expenditures. As at December 31, 2025, the Group has cash and cash equivalents of RMB1,446,756,000 and current portion of borrowings of RMB739,892,000. The Group’s ability to continue as a going concern is primarily dependent on the ability to generate adequate cash flows from business operations and to raise external equity and debt financing to fund its continuous operations. Taking into account the financing proceeds obtained from the Placing and the cash flow projections for the next twelve months, the directors of the Company believe that the Group’s cash and cash equivalents and funding from financing are sufficient to fund its operating expenses and capital expenditure requirements and meet its payment obligations for the next twelve months from December 31, 2025. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

New and amended standards adopted by the Group

A number of new and revised IFRSs became applicable for the financial year beginning on January 1, 2025. For the purpose of preparing the Group's consolidated financial information, the Group has adopted all applicable new and revised IFRSs except for any new standards or interpretation that are not yet effective for the year ended December 31, 2025.

These amendments did not have significant impact on the Group for the year ended December 31, 2025.

New standards, amendments to standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the year ended December 31, 2025 and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

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

Standards and amendments	Effective for accounting periods beginning on or after
IFRS 9 and IFRS 7 (Amendment) 'Amendments to the Classification and Measurement of Financial Instruments'	January 1, 2026
IFRS 9 and IFRS 7 (Amendment) 'Contracts referencing nature-dependent electricity'	January 1, 2026
Annual improvements project 'Annual improvements to IFRS Accounting Standards – volumes 11'	January 1, 2027
IFRS 18 'Presentation and Disclosure in Financial Statements'	January 1, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 1, 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 1, 2027
IFRS 10 (Amendment) and IAS 28 (Amendment) 'Sale or contribution of Assets between an Investor and its Associate or Joint Venture'	To be determined

The directors are in the process of assessing potential impact of the new standards and amendments. According to the preliminary assessment, these new standards and amendments are not expected to have any significant impact on the Group's consolidated financial statements when they become effective.

3. REVENUE

(a) Disaggregation of revenue from contracts with customers

Revenue for the years ended December 31, 2025 and 2024 are as follows:

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from customers and recognised at point in time		
Driving Assistance Products and Solutions	686,889	437,956
Intelligent Imaging Solutions	39,156	36,296
Embodied AI and Solution	96,283	–
	822,328	474,252

(b) Contract liabilities

For the years ended December 31, 2025 and 2024, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liability balance were primarily due to the recognition of revenues upon fulfilment of performance obligations.

The following table shows how much of the revenue recognised during the reporting year is included in the contract liabilities:

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised that was included in the contract liability balance at the beginning of the year	440	7,305

The Company expects that all of its contract liabilities as at December 31, 2025 will be recognised as revenue within 1 year.

4. EXPENSES BY NATURE

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

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Employee benefits expenses	1,126,083	1,193,706
Design and development expenses	469,322	402,358
Raw materials and consumables used	449,442	268,057
Changes in inventories of work in progress and finished goods	(5,489)	(19,625)
Intellectual property (“IP”) license expenses	14,106	83,578
Provision for impairment of inventories	22,748	22,564
Office and travelling expenses	35,971	41,766
Depreciation of property, plant and equipment	54,602	52,693
Amortization of intangible assets	34,290	38,237
Depreciation of right-of-use assets	19,102	21,558
Outsourcing labor costs	16,700	27,792
Legal, consulting and other professional fees	15,026	21,944
Marketing expenses	19,582	18,641
Listing expenses	–	16,996
Short-term lease expenses	6,279	7,534
Auditors’ remuneration		
– Audit services	5,211	2,692
– Non-audit services	170	120
Others	5,740	3,705
	<hr/>	<hr/>
Total cost of sales, selling expenses, general and administrative expenses, and research and development expenses	2,285,885	2,204,316

5. INCOME TAX EXPENSE

(a) Income tax expense

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company and Cayman Islands incorporated entities of the Group are not subject to tax on income or capital gains.

Hong Kong

The Group’s subsidiaries in Hong Kong are subject to Hong Kong profits tax of which the tax rate was 16.5% up to April 1, 2018 when the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits in the first Hong Kong Dollars (“HKD”) 2 million and 16.5% for any assessable profits in excess. Since these subsidiaries did not have assessable profits for the years ended December 31, 2025 and 2024, no Hong Kong profits tax has been provided.

United States of America

The Group's subsidiary in the State of California is subject to Federal Tax at a rate of 21% and State of California Profits Tax at a rate of 8.84%. Operations in the United States of America have incurred net accumulated operating losses for income tax purposes and no income tax provisions are recorded for the years ended December 31, 2025 and 2024.

Singapore

The Group's subsidiaries in Singapore are subject to Singapore profits tax at the rate of 17%. These subsidiaries were in loss position for the years ended December 31, 2025 and 2024.

Mainland China

In accordance with the Enterprise Income Tax Law ("**EIT Law**"), Foreign Investment Enterprises ("**FIEs**") and domestic companies established in Mainland China are subject to Enterprise Income Tax ("**EIT**") at a rate of 25%.

In October 2022, Black Sesame Technologies (Shanghai) Co., Ltd ("**Black Sesame Shanghai**") was qualified as a High and New Technology enterprise ("**HNTE**") and enjoyed a preferential tax rate of 15% from 2022 to 2025. In December 2025, the HNTE qualification was successfully renewed, with the preferential tax rate application period extended to 2025 to 2028. In December 2022, Black Sesame Technologies Co., Ltd. ("**Black Sesame Wuhan**") was qualified as an HNTE and enjoyed a preferential tax rate of 15% from 2022 to 2025. In December 2025, the HNTE qualification was successfully renewed, with the preferential tax rate application period extended to 2025 to 2028. In October 2023, Black Sesame Technologies (Chengdu) Co., Ltd. ("**Black Sesame Chengdu**") was qualified as an HNTE and enjoyed a preferential tax rate of 15% from 2023 to 2026. Black Sesame Shanghai, Black Sesame Wuhan, Black Sesame Chengdu and Black Sesame Technologies (Shenzhen) Co., Ltd. ("**Black Sesame Shenzhen**") were all in accumulated loss position for the years ended December 31, 2025 and 2024. Pursuant to the relevant regulations on extension for expiries of unused tax losses of HNTE issued in August 2018, the expiry period of the accumulated unexpired tax losses of Black Sesame Shanghai, Black Sesame Wuhan, Black Sesame Chengdu and Black Sesame Shenzhen, which are qualified as HNTE, will expire in 10 years. The other entities incorporated in the PRC are subject to an enterprise income tax at a rate of 25%.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% from 2018 onwards (subsequently raised to 200% from 2022 onwards) of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the "**Super Deduction**").

Pillar Two income taxes

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, and the legislation will be effective for the Group's financial year beginning January 1, 2025. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023, and will account for the Pillar Two income taxes as current tax when incurred. Based on the Group's assessment, there was no material exposure to Pillar Two income taxes for the year ended December 31, 2025.

The income tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the enacted tax rate in the PRC applicable to the Group as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
(Loss)/profit before income tax	(1,424,679)	313,315
Income tax credit computed at the applicable income tax rate of 25%	(356,170)	78,329
Tax effect of:		
Difference in overseas tax rates	(24,358)	(523,479)
Preferential tax rate	103,245	120,541
Super Deduction in respect of R&D expenditures	(36,911)	(34,535)
Expenses not deductible for taxation purpose (i)	78,353	100,037
Tax losses for which no deferred income tax assets was recognised (ii)	197,807	213,756
Temporary differences for which no deferred income tax assets were recognised	24,761	45,351
Tax filling differences	13,273	–
Withholding tax	21	–
Income tax expenses	21	–

- (i) Expenses not deductible for tax purposes mainly represent business entertainment expenses and share-based compensation expenses incurred in the Group's subsidiaries in Mainland China which are not deductible according to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC.
- (ii) Deferred income tax assets are recognised for tax losses carrying forwards and deductible temporary differences to the extent that realisation of the related tax benefits through the future taxable profits is probable. As at December 31, 2025 and 2024, the Group did not recognise net deferred income tax assets in respect of losses and deductible temporary differences of RMB1,596.5 million and RMB1,360.7 million respectively.

(b) Tax losses

As at December 31, 2025 and 2024, the Group did not recognise deferred income tax assets in respect of losses of RMB5,908.5 million and RMB4,900.2 million, respectively. The tax losses incurred from the Company's subsidiaries in Mainland China that are not recognised as deferred tax assets will expire from 2026 to 2035. Tax losses of the Group's subsidiaries incorporated in United States of America, Hong Kong and Singapore will be carried forward indefinitely. Deductible losses that are not recognized for deferred income tax assets will expire as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Expiry year		
2025	–	104,391
2026	3,617	3,666
2027	66,429	66,481
2028	51,926	52,790
2029	120,619	120,003
2030	173,653	149,692
2031	538,964	545,764
2032	660,171	686,070
2033	1,291,859	1,347,260
2034	1,085,656	1,080,248
2035	1,019,100	–
Indefinitely	896,469	743,810
	<u>5,908,463</u>	<u>4,900,175</u>

6. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share for the years ended December 31, 2025 and 2024 are calculated by dividing the (loss)/profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the respective years.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
(Loss)/profit attributable to the equity holders of the Company (RMB'000)	(1,424,700)	313,315
Weighted average number of ordinary shares outstanding (thousand shares)	<u>601,286</u>	<u>263,608</u>
Basic (loss)/earnings per share (expressed in RMB per share)	<u>(2.4)</u>	<u>1.2</u>

(b) Diluted loss per share

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

As the Group incurred losses for the year ended December 31, 2025, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended December 31, 2025 is the same as basic loss per share of the respective year.

For the year ended December 31, 2024, the Group has two categories of potential ordinary shares, namely redeemable convertible preferred shares of the Company and share options with vesting schedule granted to the employees. Share options with vesting schedule granted to the employees were anti-dilutive for the year ended December 31, 2024.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
(Loss)/profit attributable to the equity holders of the Company	(1,424,700)	313,315
Adjustment for fair value change of the Company's redeemable convertible preferred shares through profit or loss	<u>–</u>	<u>(2,046,612)</u>
Net loss attributable to the equity holders of the Company	<u>(1,424,700)</u>	<u>(1,733,297)</u>
Weighted average number of shares (thousand shares):		
Weighted average number of ordinary shares outstanding (thousand shares)	601,286	263,608
Adjustment for redeemable convertible preferred shares of the Company	<u>–</u>	<u>249,029</u>
Weighted average number of shares for calculation of diluted loss per share	<u>601,286</u>	<u>512,637</u>
Diluted loss per share (expressed in RMB per share)	<u>(2.4)</u>	<u>(3.4)</u>

7. TRADE AND NOTES RECEIVABLES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Trade receivables	553,953	306,181
Less: provision for impairment	(59,526)	(49,629)
	494,427	256,552
Notes receivables	5,286	1,515
	499,713	258,067

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

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Up to 3 months	396,578	176,876
3 to 6 months	17,954	1,981
6 to 9 months	45,401	1,349
9 to 12 months	971	–
Over 12 months	98,335	127,490
	559,239	307,696

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

8. FINANCIAL INSTRUMENTS ISSUED TO INVESTORS

Redeemable convertible preferred shares

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

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

The movements of the Preferred Shares during the year ended December 31, 2024 are set out as below:

	RMB'000
At January 1, 2024	12,589,493
Change in fair value through profit or loss	(2,046,612)
Change in fair value due to own credit risk	(2,821)
Currency translation differences	100,803
Conversion of Preferred Shares to Common shares upon IPO	(10,640,863)
At December 31, 2024	–

9. TRADE PAYABLES

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

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Up to 6 months	192,000	86,945
6 to 12 months	17,998	2,053
Over 12 months	3,301	28,295
	<u>213,299</u>	<u>117,293</u>

The carrying amounts of trade payables are considered approximately to their fair values.

10. DIVIDEND

No dividend has been paid or declared by the Company or subsidiaries of the Company for the years ended December 31, 2025 and 2024 and up to date of this announcement.

OTHER INFORMATION

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares). As of December 31, 2025, the Company did not have any treasury shares as defined under the Listing Rules.

Material Events After the Reporting Period

2026 First Subscription of Shares Under General Mandate

On January 8, 2026, the Company entered into subscription agreements (the “**First Subscription Agreements**”) with Shanghai Jixin Enterprise Management Partnership (Limited Partnership) (“**Shanghai Jixin**”), Shanghai Shuangchuang Jinhong Enterprise Management Co., Ltd. (“**Shanghai Shuangchuang**”) and SpreadCom Limited (“**SpreadCom**”), respectively, in relation to the allotment and issuance of an aggregate of 30,131,900 new Shares at the subscription price of HK\$18.88 per Share (the “**First Subscription**”). Subsequently, for commercial reasons, the Company entered into a supplemental agreement to the subscription agreement with Shanghai Shuangchuang (the “**First Subscription Supplemental Agreement**”) to change the subscriber to Innovital Holdings Limited (“**Innovital**”); and entered into a termination agreement with SpreadCom to terminate the subscription by SpreadCom, pursuant to which the number of subscription shares under the First Subscription was adjusted to 28,543,000 new Shares. All the conditions set out in the First Subscription Agreements and the First Subscription Supplemental Agreement were fulfilled and the First Subscription was completed on March 6, 2026, where a total of 28,543,000 new Shares (with an aggregate nominal value of US\$2,854.3) have been successfully allotted and issued to Shanghai Jixin and Innovital at the subscription price of HK\$18.88 pursuant to the terms and conditions of the First Subscription Agreements and the First Subscription Supplemental Agreement. The closing price of the Shares as quoted on the Stock Exchange on January 8, 2026, being the date of the First Subscription Agreements, was HK\$21.76 per Share. After deducting the expenses of the First Subscription, the net proceeds from the First Subscription amounted to approximately HK\$538.13 million (representing a net issue price of approximately HK\$18.85 per Share). For details, please refer to the announcements of the Company dated January 8, 2026, January 25, 2026 and March 6, 2026, respectively.

Details of the use of proceeds from the First Subscription and the expected timeline for utilisation of the net proceeds from the First Subscription are set out below:

Intended purposes of the net proceeds from the First Subscription	Planned proportion of the net proceeds (%)	Planned use of the net proceeds (Approximately HK\$ million)	Expected timeline for fully utilising the net proceeds from the First Subscription
(i) Strategic mergers and acquisitions and investments	90%	484.32	within 2026
(ii) General working capital purposes	10%	53.81	within 2026
Total	100%	538.13	

2026 Second Subscription of Shares Under General Mandate

On March 9, 2026, the Company entered into a subscription agreement (the “**Second Subscription Agreement**”) with Infini Global Master Fund (the “**Subscriber**”), in relation to the allotment and issuance of an aggregate of 33,544,600 new Shares at the subscription price of HK\$18.88 per Share (the “**Second Subscription**”). The closing price of the Shares as quoted on the Stock Exchange on March 9, 2026, being the date of the Second Subscription Agreement, was HK\$19.29 per Share. After deducting the expenses of the Second Subscription, the net proceeds from the Second Subscription amounted to approximately HK\$632.4 million (representing a net issue price of approximately HK\$18.85 per Share). As of the date of this announcement, the Second Subscription has not yet been completed. For details, please refer to the announcements of the Company dated March 9, 2026 and March 18, 2026, respectively.

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

Intended purposes of the net proceeds from the Second Subscription	Planned proportion of the net proceeds (%)	Planned use of the net proceeds (Approximately HK\$ million)	Expected timeline for utilizing the net proceeds from the Second Subscription
(i) Research and development over core technologies	50%	316.2	
<ul style="list-style-type: none"> • Research and development of next-generation high-performance chips, including high-computing-power chips for autonomous driving and robotics applications, as well as edge AI chips for terminal devices 	30%	189.7	2026: 70% utilized 2027: 30% utilized
<ul style="list-style-type: none"> • Establishment of overseas research and development centers, with a view to enhancing the Group's global R&D collaboration capabilities 	20%	126.5	2026: 70% utilized 2027: 30% utilized
(ii) Product commercialization and market expansion of the Group	40%	253.0	
<ul style="list-style-type: none"> • Promotion of the certification, adaptation and mass-production resource deployment for the Group's latest high-performance intelligent driving chips and platforms with key customers 	20%	126.5	2026: 70% utilized 2027: 30% utilized
<ul style="list-style-type: none"> • Expansion of the robotics product line and on-device AI product line for accelerating product commercialization 	20%	126.5	2026: 70% utilized 2027: 30% utilized
(iii) General working capital purposes	10%	63.2	2026: 70% utilized 2027: 30% utilized
Total	100%	632.4	

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

Sufficiency of Public Float

According to the information that is publicly available to the Company and within the knowledge of the Board, at least 25% of the Company's total number of issued shares was held by the public during the Reporting Period and up to the date of this announcement as required under the Listing Rules.

Corporate Governance Practices

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

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

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

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

Final Dividend

The Board does not recommend the payment of a final dividend for the year ended December 31, 2025 (for the year ended December 31, 2024: Nil).

Model Code for Securities Transactions

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

Audit Committee

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

Scope of Work of the Auditor

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows and the related notes thereto for the year ended December 31, 2025 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on announcement.

Publication of the Annual Results and the 2025 Annual Report

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.blacksesame.com. The annual report of the Company for the year ended December 31, 2025 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS AND GLOSSARY

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

“Audit Committee”	the audit committee of the Company
“Auditor”	PricewaterhouseCoopers, the independent auditor of the Company
“Board”	the board of directors of the Company
“China”, “Mainland China” or “PRC”	the People’s Republic of China, which, for the purpose of this annual results announcement and for geographical reference only, references to “China”, “Mainland China” and the “PRC” do not apply to Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC, except where the context indicates or requires otherwise
“Company” or “Black Sesame”	Black Sesame International Holding Limited, an exempted company incorporated under the laws of Cayman Islands with limited liability
“Corporate Governance Code”	the Corporate Governance Code, as set out in Appendix C1 to the Listing Rules
“Director(s)”	director(s) of the Company or any one of them
“Global Offering”	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
“Group”, “our”, “we”, or “us”	the Company and its subsidiaries
“HK\$” or “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
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)

“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 of the Listing Rules
“Mr. Shan”	Mr. SHAN Jizhang (單記章), one of the Group’s founders, chairman of the Board, an executive Director and the chief executive officer of the Company
“Prospectus”	the prospectus of the Company dated July 31, 2024
“Reporting Period”	the year ended December 31, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Share(s)”	the ordinary share(s) with nominal value of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

“US\$” or “USD”

United States Dollars, the lawful currency of the United States

“%”

per cent

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

Hong Kong, March 31, 2026

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