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LIGHTELLIGENCE
曦智科技

Shanghai Xizhi Technology Co., Ltd.
上海曦智科技股份有限公司

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

(Stock Code: 1879)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The Board of Shanghai Xizhi Technology Co., Ltd. is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2026, together with comparative figures for the same period of 2025, as follows.

In this announcement, "we" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding issues.

FINANCIAL SUMMARY

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**79,779**	20,793
Research and development expenses	**(349,724)**	(154,532)
Loss for the period	**(3,256,744)**	(346,269)
Add:		
Share-based payment expenses	**182,685**	38,270
Fair value changes of financial instruments issued to investors*	**2,916,531**	176,555
Listing expenses	**10,383**	—
Adjusted net loss (non-IFRS measure)*	**(147,145)**	(131,444)

* *Fair value changes of financial instruments issued to investors represents the change in fair value of the financial instruments with preferred rights held by our investors, which is non-cash in nature.*

All financial instruments issued to investors were automatically converted into Shares upon the Listing. Accordingly, no further gains or losses related to valuation changes in these instruments would be recorded after the conversion.

* *Adjusted net loss is not defined under the IFRS. It represents the loss for the period adjusted by adding back (i) Share-based payment expenses, (ii) Fair value changes of financial instruments issued to investors, and (iii) Listing expenses. The share-based payment expenses and fair value changes of financial instruments issued to investors are non-cash reconciling items.*

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are dedicated to the field of optoelectronic computing, an innovative paradigm that combines the advantages of photonics and electronics. Based on three core chip technologies — oNOC (Optical Network on Chip), oNET (Optical Inter-chip Networking), and oMAC (Optical Multiply Accumulate) — we have built a product and solution portfolio centered on optical interconnect and optical computing. Our technologies offer low latency, high throughput and low power consumption, with the aim of improving computing performance and advancing the next wave of innovation. According to Frost & Sullivan, we are the first company globally to achieve mass deployment of optoelectronic computing.

For the six months ended June 30, 2026, we derived revenue of RMB79.78 million, increasing by 284% from RMB20.79 million for the six months ended June 30, 2025. We recorded a consolidated gross profit margin of approximately 65.8%. Adjusted net loss was RMB147.15 million.

As at June 30, 2026, our cash balance was RMB2,858.63 million (comprising cash and cash equivalents, short-term bank deposits, long-term bank deposits, financial assets at fair value through profit or loss, and restricted cash), reflecting a sound financial position. Monthly cash burn was stable, and cash cycle management remained healthy and orderly.

Relying on our optoelectronic chip design capability and commercialization foundation, we have entered an accelerated growth stage shifting from commercial deployment to large-scale commercial delivery. This progress stems from both market breakthrough of high value-added products and continuous optimization of existing products, which consolidate the foundation of our high-quality growth.

BUSINESS REVIEW

The business review set out below provides an overview of the Group's business and performance since January 1, 2026. Unless otherwise expressly indicated as having occurred during the Reporting Period, the business review includes material events and developments that took place during the Reporting Period and after the end of the Reporting Period and up to the date of this announcement.

Pursuant to Rule 18C.19A, we also set out below the commercialization activities and research and development progress of our Specialist Technology Products during the Reporting Period, including (i) Next Generation Scale-up Solutions: Near-Packaged Optics (NPO) and Co-Packaged Optics (CPO), Transceiver PIC, CPO Switch Solution under our optical interconnect product line; and (ii) PACE 3 under our optical computing product line.

1. **Commercial deployment and technological advancement of optical interconnect progress in parallel**

During the Reporting Period, revenue from our optical interconnect business grew strongly, from RMB16.17 million for the six months ended June 30, 2025 to RMB60.70 million for the six months ended June 30, 2026, representing an increase of 275%. This growth was mainly driven by the broader commercial deployment of Scale-up OCS.

- ***Scale-up OCS achieves full commercial deployment, with an upgraded solution enabling next-generation supernodes***

  Our LightSphere X — the first domestically developed GPU supernode solution featuring optical interconnect and optical switching, based on our leading distributed optical circuit switch (dOCS) technology — continued to make steady progress in commercialization.

  During the World Artificial Intelligence Conference 2026 ("**WAIC 2026**") held in July 2026, we officially announced the successful deployment of a several-thousand-GPU cluster powered by LightSphere X. This marked the completion of China's first commercialized, domestically developed optical-switching computing cluster comprising over 1,000 GPUs, with the OCS silicon photonics PIC also entering mass production.

  Furthermore, to enable next-generation supernodes, we, together with leading domestic compute-power providers, launched a next-generation optical-switching and electrical-switching Scale-up networking solution. The solution enables supernodes to be scaled up further, allows flexible reconfiguration of physical topologies, substantially reduces power consumption and lowers latency to the hundreds-of-nanoseconds level. Based on the solution, the project jointly launched by the Company, and our partners was awarded the SAIL Star at the WAIC Superior AI Leader (SAIL) Award. This marks the Company's second consecutive SAIL Award.

- ***Scale-up EPS records overseas growth, while NPO moves toward commercialization***

  During the Reporting Period, our Scale-up EPS business delivered a solid performance in overseas markets and realized revenue growth. Following years of customer development, we have now completed design-in with multiple customers and established long-term and stable cooperative relationships with leading partners.

At the same time, we have observed that Near-Packaged Optics (NPO) — by shortening data-transmission distances, increasing bandwidth density, facilitating maintenance and enabling the reuse of existing supply chains, is regarded by the industry as a relatively deployment ready Scale-up optical interconnect technology. NPO deployment has shown a clear acceleration trend since the beginning of 2026.

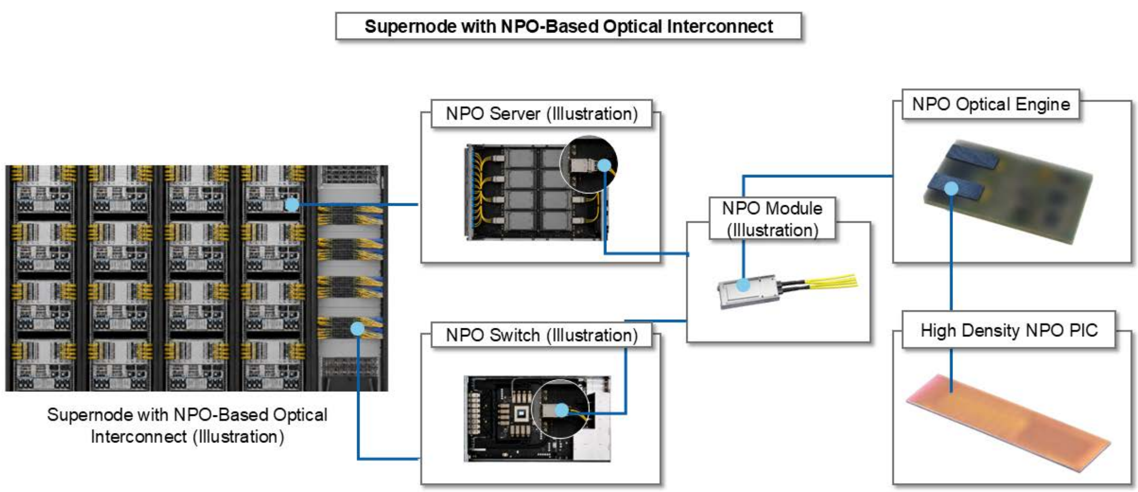
Leading domestic cloud service providers are actively advancing scale deployment and validation of 3.2T NPO and conducting research on 6.4T NPO, while announcing plans for the deployment and validation for NPO clusters. Meanwhile, overseas cloud service providers are assessing NPO solutions through their supply chains.

Establishment of an NPO standardization system is also accelerating. Currently, domestic and overseas standardization organizations have begun defining 6.4T/12.8T NPO standards. Cloud service provider and the industry participants are jointly driving specifications convergence and the development of ecosystem. We are actively participating in NPO standard setting in many organizations, laying an ecosystem foundation for large-scale deployment of silicon photonics-based NPO solutions.

Following the industry trend and our development roadmap and as planned in our Prospectus, our Scale-up EPS product portfolio has transitioned from pluggable LPO to NPO:

We have launched multiple NPO silicon photonic PICs that are undergoing validation by multiple leading customers. Among them, our 3.2T NPO product has passed testing in an end-customer application scenario and completed tape-out, while our 6.4T NPO product is under joint development with customers.

We have begun providing hardware samples of next-generation Scale-up solutions based on NPO technology, and are conducting active business expansion on the customer side. Our self-developed NPO photonic chip has completed full-link validation in multiple customer projects and is approaching commercialization. With mature tape-out process and stable mass-production delivery capability, we have jointly conducted application-scenario validation of NPO switches and GPUs with our partners and publicly demonstrated the progress.

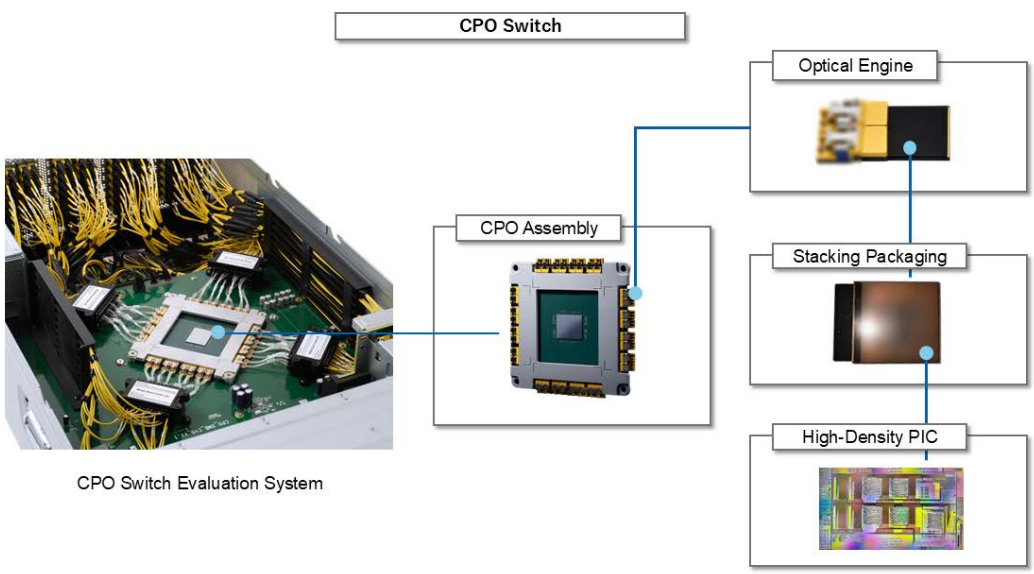


- ***CPO industrialization is accelerating***

  As the ultimate objective of optical interconnect development roadmap, Co-Packaged Optics (CPO) integrates the optical engine and host chip within the same package substrate, thereby further shortening copper interconnects, optimizing signal integrity and increasing overall interconnect bandwidth density. Compared with NPO, CPO requires deeper technical coordination with host chip vendors.

We have also observed that leading overseas compute-chip and interconnect-chip companies, together with foundries and packaging providers, have invested substantial resources to address bottlenecks across the CPO value chain with a view to achieving large-scale commercialization.

Our CPO industrialization has achieved a milestone breakthrough. As planned in our Prospectus, we have completed a proof-of-concept demonstration based on next-generation switch ASICs. During the WAIC 2026, we announced a strategic cooperation with a leading switch-ASIC design enterprise and jointly launched a CPO switch evaluation system. In collaboration with foundries and packaging providers, the evaluation system is equipped with a mass-produced switch ASIC, and its optical engine adopts our silicon photonic products and packaging technology, marking that domestic CPO technology has progressed from concept demonstration to engineering validation.



- ***Scale-out business progresses as planned***

Our transceiver PICs for Scale-out interconnects are progressing as planned. Certain PICs are undergoing module-level testing by customers, while others are at the design-iteration stage, covering application scenarios including 800G and 1.6T optical modules. Such high-speed optical modules with transceiver PICs will form the backbone of Scale-out interconnect, linking network interface cards and switches, as well as enabling high-speed interconnect between switches. In addition, we deeply participate in process development and iteration at partner foundries, enabling us to rapidly optimize product performance, shorten design-to-manufacturing cycle, and ensure yield in mass production.

2. Optical computing achieves progress in commercial validation, with R&D advancing steadily

During the Reporting Period, revenue from our optical computing business increased significantly, from RMB4.62 million for the six months ended June 30, 2025 to RMB19.08 million for the six months ended June 30, 2026, increasing by 313%. In addition to contribution from Gazelle, our high-precision optical computing evaluation hardware, this growth also benefited from increased sales of PACE 2.

- ***PACE 2: dual-track sales model for single-card and cluster deployments, with successful expansion into edge computing scenarios***

  During the Reporting Period, shipments of PACE 2 continued, and we achieved stable, real-world deployment in edge computing scenarios.

  During WAIC 2026, we launched "PACE 2 • LightCube", the world's first integrated optoelectronic intelligent-computing integrated machine. Powered by our commercialized optoelectronic computing chip PACE 2, the product targets edge computing and high-performance linear computing acceleration scenarios. As the world's first product to achieve stable, long-term optical computing operation in real-world, high-frequency edge scenarios, it challenges the industry perception that optical computing is only used in laboratories and specific scientific computing. The product also introduces the world's first integrated-machine form optoelectronic computing architecture, integrating a complete computing system into a compact chassis and enabling plug-and-play deployment in edge scenarios. At the ecosystem level, its software stack is deeply compatible with mainstream AI frameworks. We have jointly completed multi-scenario algorithm adaptation with partners, building a complete industrial ecosystem from hardware to applications.

  We first refined the product through internal deployment. Our office access-control system was the first application to be equipped with "PACE 2· LightCube" devices. The system, which is used by hundreds of our employees, is currently operating smoothly. The next landing scenario for "PACE 2 • LightCube" is the chip-design workflow. Currently, the chip-design industry generally relies on large-model inference to assist R&D. We plan to use our self-developed optical computing devices to undertake internal chip-design inference tasks, continuously polishing the software ecosystem.

In the same period, we also signed strategic partnership agreements with leading domestic internet and artificial intelligence enterprises, financial institutions, scientific-research institutions and compute-infrastructure providers, jointly exploring vertical landing scenarios including low-latency inference, embodied AI, AI for science, financial intelligent interaction, and commercial aerospace.

(PACE 2 • LightCube)

- ***PACE 3 R&D and engineering development advance steadily***

  For our next-generation optoelectronic computing chip PACE 3 and as planned in our Prospectus, both the PIC and EIC have delivered for tape-out, and the PIC has returned from fabrication. We will subsequently proceed with system validation.

  Building upon the computer-vision-class application and Ising algorithm acceleration capabilities of PACE 2, PACE 3 is designed to support large-model inference and multi-card interconnection scaling, marking a further step in the evolution of optical computing toward a general-purpose optoelectronic computing platform. At the application level, PACE 3 is suitable for on-device real-time inference scenarios, and can also be deployed in intelligent computing centers through multi-card interconnection to handle highly concurrent online inference tasks, achieving low-latency inference coverage from the edge to the cloud.

  The Company will continue to advance packaging integration and system validation, take appropriate measures to mitigate risks arising during the R&D process and seek to adapt PACE 3 for large-model inference scenarios from the edge to the cloud.

- ***Gazelle sales increase as we jointly develop the application ecosystem***

  Our high-precision optical computing evaluation hardware Gazelle achieved sales growth during the Reporting Period. To attract more developers to jointly build the application ecosystem, we provided Gazelle and the photonic computing simulator platform LTSimulator as competition platform for the 2026 10th National College Integrated Circuit Innovation Contest ("**ICIC**").

  ICIC is one of the largest and most influential university competitions in the domestic integrated-circuit field, and the only integrated-circuit professional competition selected into the national university competition ranking of the China Association of Higher Education. In this contest, we set the proposition "Optical Chip Application Development", the first in ICIC history to introduce an "Optical Chip" track, attracting 150 teams from over 60 universities. The Gazelle and LTSimulator allow participants to fully utilize photonic computing characteristics to develop innovative photonic computing algorithms and applications.

PROSPECTS AND OUTLOOK

Looking ahead, as AI cluster scales leap from thousands to tens of thousands and even hundreds of thousands of chips, the development path of global AI infrastructure is becoming clearer than ever: the core bottleneck is shifting from "single-chip peak performance" to "interconnect energy efficiency, density, and reliability," and interconnect architectures are evolving at an accelerated pace along the path of increasing integration — LPO, NPO, and CPO. The essence of this path is a gradual transition from interconnects dominated by electrical chips and copper cables to high-density optical interconnects — a direction that has reached broad consensus across the global industry. In overseas markets, leading vendors are making every effort to advance the adoption of optical interconnects in ultra-large-scale training clusters. In the Chinese market, the challenges faced by electrical chips in advanced process nodes further compel the underlying infrastructure to complete the transition from electrical to optical interconnects at an even faster pace. Only by achieving this generational leap can the collaborative potential of hundreds of thousands of computing chips be fully unlocked. For this reason, we believe that silicon photonic chips have become an irreplaceable core component across global computing-power upgrades, and that the deep integration of photonic and electronic chips will drive optical chips to capture a substantial share of the AI inference chip market in the years ahead. Meanwhile, leveraging its inherent physical properties, optical computing is expected to work in synergy with GPUs in large-model inference and achieve large-scale coexistence with electrical computing, becoming a critical building block of the next generation of computing architectures.

As the optical engine progressively evolves from LPO to NPO and CPO, and the electrical channel distance to the host chip is compressed from the centimeter scale to the millimeter scale, the responsibility for ensuring signal integrity shifts from the electrical chip to optoelectronic co-design itself — which is precisely the moat we have been steadily building since our establishment. After removing the digital signal processor (DSP) and transferring signal-processing functions back to the host system, we can deeply integrate with GPU, switch-chip, and packaging partners to jointly deliver end-to-end signal-integrity solutions for the complete link — from the sending-end host chip to the receiving-end host chip. This integrated co-design capability is the core competitive strength that enables us to participate in computing-network buildouts in both domestic and international markets simultaneously.

Looking ahead, we will consolidate our leadership in complex optoelectronic chip design, packaging design, and 3D optoelectronic integration, and will continue to deliver increasingly competitive products along our roadmap. Our experience in bringing up and delivering system-level links in overseas markets is progressively validating our ability to supply at scale for the global market, and we will continue to accelerate the build-out of localized technical support and customer-response frameworks for international clients. With respect to optical computing — a long-term strategy — we will continue to tackle the challenges of optical-matrix scale-up and software-hardware co-optimization, and will work hand in hand with GPU vendors, server manufacturers, and algorithm-framework developers to advance the adaptation and optimization of optoelectronic computing at the application-software layer, drive the tangible deployment of real-world scenarios, and cultivate a chip-to-system optical computing ecosystem, transforming optoelectronic computing from a technical advantage into an industrially scalable delivery advantage.

We believe that, by committing ourselves to developing useful technologies and, in an era of exploding computing demand, providing global customers with solutions that enable advances in computing power and working with partners to build a smarter and more sustainable world, we can turn inspiration into reality and contribute a core driving force to the exponential growth of computing power in the AI era.

WARNING UNDER RULE 18C.19(5) OF THE LISTING RULES

Our Company is a Specialist Technology Company (as defined in Chapter 18C of the Listing Rules). In addition, our Company is a Pre-Commercial Company (as defined in Chapter 18C of the Listing Rules), which is a Specialist Technology Company that has not met the revenue requirement as set out in Rule 18C.03(4) of the Listing Rules.

WE MAY NOT BE ABLE TO ULTIMATELY ACHIEVE THE REVENUE REQUIREMENT AS SET OUT IN RULE 18C.03(4) OF THE LISTING RULES.

FINANCIAL REVIEW

The management discussion and analysis is based on our condensed consolidated interim financial information prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board.

DESCRIPTION OF SELECTED ITEMS FROM CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

Revenue

We derive revenue primarily from two business lines: (i) optical interconnect business and (ii) optical computing business. During the Reporting Period, substantially all of our revenue was generated from the China market.

The following table sets forth a breakdown of our revenue by segment, in absolute amounts, for the periods indicated:

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Optical interconnect business		
Sale of products		
— Scale-up products	**55,907**	10,916
— Scale-out products	**—**	5,111
Technology development services and others	**4,792**	144
Subtotal of optical interconnect business	**60,699**	16,171
Optical computing business		
Sale of products	**18,478**	2,735
Technology development services and others	**602**	1,887
Subtotal of optical computing business	**19,080**	4,622
Total Revenue	**79,779**	20,793

Our revenue increased by 284% from RMB20.79 million for the six months ended June 30, 2025 to RMB79.78 million for the six months ended June 30, 2026, primarily due to an increase of approximately RMB44.53 million in revenue from optical interconnect business and an increase of approximately RMB14.46 million in revenue from optical computing business.

Optical interconnect business. Revenue generated from optical interconnect business increased from RMB16.17 million for the six months ended June 30, 2025 to RMB60.70 million for the six months ended June 30, 2026, primarily due to the revenue generated from sales of Scale-up products increased from RMB10.92 million to RMB55.91 million. In particular, benefiting from the launch of the "LightSphere X" supernode solution and following over a year of collaboration and refinement with some leading partners, the "LightSphere X" supernode solution has now successfully achieved commercial implementation, establishing the first domestically developed distributed optical interconnect and optical switching GPU supernode solution. In addition, the Company has received orders for OCS products from other customers and the pricing of OCS products has also improved during the Reporting Period.

The revenue of the Scale-up EPS product was primarily derived from overseas markets during the Reporting Period. Following years of customer development, the Company has now completed design-in with a number of overseas customers and has established long-term and stable cooperative relationships with leading partners.

Optical computing business. Revenue generated from our optical computing business increased from RMB4.62 million for the six months ended June 30, 2025 to RMB19.08 million for the six months ended June 30, 2026, primarily due to the continued sales of optical computing hardware products in the single-card sales model during the Reporting Period, including the PACE series and Gazelle, following over a year of commercialisation efforts since the launch of the PACE 2 in March 2025.

Cost of Sales; Gross profit, Gross profit margin

Our cost of sales increased by 118% from RMB12.49 million for the six months ended June 30, 2025 to RMB27.26 million for the six months ended June 30, 2026, which was in line with the growth in revenue.

During the Reporting Period, the Company recorded a consolidated gross profit margin of approximately 65.8%, as compared with approximately 40.0% for the corresponding period last year. Gross profit increased by approximately RMB44.22 million, representing a growth of 532% as compared with the corresponding period last year.

Optical interconnect business. The gross profit margin of the optical interconnect business recorded an increase during the Reporting Period, primarily attributable to the launch of the Scale-up OCS product, and the improved performance of the Scale-up EPS product in overseas markets. Benefiting from the launch of the "LightSphere X" supernode solution, the Company also received orders for OCS products from other customers, and the pricing of OCS products has also improved during the Reporting Period. In addition, the Scale-up EPS product has performed well in overseas markets with stable pricing, which in turn contributed to the gross profit margin growth of this business as compared with the corresponding period last year.

Optical computing business. During the Reporting Period, revenue from the optical computing business was primarily derived from the continued sales of optical computing hardware products in the single-card sales model, including the PACE series and Gazelle. Under this model, the pricing, costs and gross profit margin of these products remained relatively stable. Relative to the sale of optical computing clusters, the gross margin for the sale of single-card model is higher.

Research and Development Expenses

Our research and development expenses increased by 126% from RMB154.53 million for the six months ended June 30, 2025 to RMB349.72 million for the six months ended June 30, 2026. As compared with the corresponding period last year, such increase was primarily due to an increase in employee benefits expenses, including an increase of approximately RMB73.89 million in share-based compensation expenses, coupled with other research and development expenses related to projects about optical computing and optical interconnect business.

The table below sets forth a breakdown of R&D expenses:

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefits expenses	**171,379**	92,268
Intellectual property license expenses	**15,230**	2,731
Design and development expenses	**65,809**	19,599
Depreciation and amortization	**65,910**	31,737
Raw materials, consumables used and outsourcing costs	**25,584**	3,252
Other expenses	**5,812**	4,945
Total	**349,724**	154,532

Selling and Marketing Expenses

Our selling and marketing expenses increased by 86% from RMB21.24 million for the six months ended June 30, 2025 to RMB39.50 million for the six months ended June 30, 2026. Such increase was primarily due to an increase in employee benefits expenses, including share-based compensation expenses.

General and Administrative Expenses

Our general and administrative expenses increased by 124% from RMB53.94 million for the six months ended June 30, 2025 to RMB120.96 million for the six months ended June 30, 2026. Such increase was primarily due to an increase in employee benefits expenses, including share-based compensation expenses.

Reversal of Impairment of Financial Assets

We recorded a reversal of impairment of financial assets of RMB0.16 million for the six months ended June 30, 2026, as compared to RMB0.35 million for the six months ended June 30, 2025, primarily due to a decrease in trade receivables and other receivables.

Other Income

Our other income increased by 128% from RMB52.85 million for the six months ended June 30, 2025 to RMB120.58 million for the six months ended June 30, 2026, primarily driven by an increase in government grants received in support of our operations and innovation-related R&D activities.

Other Losses

Our other losses increased from RMB3.95 million for the six months ended June 30, 2025 to RMB14.49 million for the six months ended June 30, 2026, primarily attributable to net foreign exchange losses.

Finance Income

Our finance income increased by 205% from RMB3.96 million for the six months ended June 30, 2025 to RMB12.08 million for the six months ended June 30, 2026, primarily due to the increase in interest income from bank deposits.

Fair Value Changes of Financial Instruments Issued to Investors

Our fair value changes of financial instruments issued to investors changed from RMB176.56 million for the six months ended June 30, 2025 to RMB2,916.53 million for the six months ended June 30, 2026, primarily due to a change in fair value of the financial instruments with preferred rights held by our investors, which is non-cash in nature.

All financial instruments issued to investors were automatically converted into Shares upon the Listing. Accordingly, no further gains or losses related to valuation changes in these instruments would be recorded after the conversion.

Loss for the Period

As a result of the foregoing, our loss for the period changed from RMB346.27 million for the six months ended June 30, 2025 to RMB3,256.74 million for the six months ended June 30, 2026.

Non-IFRS Financial Measure

We use adjusted net loss (non-IFRS measure), which is a non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted net loss (non-IFRS measure) helps identify underlying trends in our business and provides useful information about our results of operations, enhances the overall understanding of our past performance and future prospects and allows for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

Adjusted net loss (non-IFRS measure) should not be considered in isolation or construed as an alternative to net loss or any other measure of performance or as an indicator of our operating performance. Investors are encouraged to review adjusted net loss (non-IFRS measure). Adjusted net loss (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

We define adjusted net loss (non-IFRS measure) as net loss adjusted by adding back (i) share-based payment expenses, which include share-based payment to employees, consultants and an investor, (ii) fair value changes of financial instruments issued to investors, and (iii) listing expenses. Share-based payment expense is non-cash in nature. All the financial instruments issued to investors were re-classified from financial liabilities to equity as a result of the automatic conversion into our Shares upon the Listing. The fair value changes of financial instruments issued to investors is a non-cash reconciling item. Listing expenses primarily relate to expenses incurred in relation to the Listing.

The following table sets forth our adjusted net loss (non-IFRS measure) for the periods indicated:

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(3,256,744)**	(346,269)
Add:		
Share-based payment expenses	**182,685**	38,270
Fair value changes of financial instruments issued to investors	**2,916,531**	176,555
Listing expenses	**10,383**	—
Adjusted net loss for the period (non-IFRS measure)	**(147,145)**	(131,444)

Our adjusted net loss changed from RMB131.44 million for the six months ended June 30, 2025 to RMB147.15 million for the six months ended June 30, 2026. It remained broadly unchanged as compared with the corresponding period last year.

DESCRIPTION OF SELECTED ITEMS OF CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets decreased from RMB134.15 million as of December 31, 2025 to RMB130.45 million as of June 30, 2026, primarily due to the slight decrease in prepayments for purchases.

Trade Receivables

Our trade receivables decreased from RMB87.22 million as of December 31, 2025 to RMB71.83 million as of June 30, 2026, primarily driven by effective management of trade receivables and timely collection of proceeds during the Reporting Period.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss decreased from RMB324.97 million as of December 31, 2025 to RMB94.29 million as of June 30, 2026, primarily due to a reduction in the amount of wealth management products purchased.

Trade Payables

Our trade payables increased from RMB6.74 million as of December 31, 2025 to RMB8.16 million as of June 30, 2026, primarily due to an increase in payables for purchases.

Other Payables and Accruals

Our other payables and accruals decreased from RMB78.04 million as of December 31, 2025 to RMB50.07 million as of June 30, 2026, primarily due to a decrease in salaries and benefits payables during the Reporting Period.

Lease Liabilities

Our lease liabilities decreased from RMB26.70 million as of December 31, 2025 to RMB20.18 million as of June 30, 2026, primarily driven by lease payments made during the Reporting Period.

Contract Liabilities

Our contract liabilities decreased from RMB21.62 million as of December 31, 2025 to RMB17.84 million as of June 30, 2026, primarily due to changes in advances from customers.

Cash Balance

The change in cash balance (comprising cash and cash equivalents, short-term bank deposits, long-term bank deposits, financial assets at fair value through profit or loss, and restricted cash) from RMB636.39 million as of December 31, 2025 to RMB2,858.63 million as of June 30, 2026 was primarily attributable to the proceeds raised from the Listing and increased collections from sales.

Gearing Ratio

Our gearing ratio, calculated as total liabilities divided by total equity, increased from -127% as of December 31, 2025 to 12% as of June 30, 2026, primarily due to the Listing during the Reporting Period.

LIQUIDITY AND CAPITAL RESOURCES

For the six months ended June 30, 2026, we financed our capital expenditure and working capital requirements primarily through cash generated from our business operations and financing activities (including the proceeds from the Listing). Our principal uses of cash include research and development activities, general working capital requirements and capital expenditures. We intend to continue relying on cash flows generated from operations and financing activities to meet our liquidity requirements. As of June 30, 2026, the sum of our cash and cash equivalents, short-term bank deposits, and financial assets at fair value through profit or loss was RMB2,838.17 million, compared with RMB616.22 million as of December 31, 2025.

Description of Selected Items from Condensed Consolidated Interim Statements of Cash Flows

Net cash used in operating activities

Our net cash used in operating activities changed from RMB92.73 million for the six months ended June 30, 2025 to RMB187.61 million for the six months ended June 30, 2026, primarily due to the changes in operating activities.

Net cash used in investing activities

Our net cash used in investing activities changed from RMB465.14 million for the six months ended June 30, 2025 to RMB1,367.51 million for the six months ended June 30, 2026, primarily due to an increase in placement of bank deposits.

Net cash generated from financing activities

Our net cash generated from financing activities changed from RMB655.68 million for the six months ended June 30, 2025 to RMB2,435.46 million for the six months ended June 30, 2026, primarily due to the proceeds raised from the Listing during the Reporting Period.

CONTINGENT LIABILITIES

For the six months ended June 30, 2026, we did not have material contingent liabilities that were expected to materially and adversely affect our financial condition or results of operations.

RESEARCH AND DEVELOPMENT EXPENDITURE

For the six months ended June 30, 2025 and 2026, our R&D expenditure primarily consisted of R&D expenses adjusted by (i) intangible assets acquired from third parties and capitalized and (ii) amortization expense of capitalized intangible assets included in Research and development expenses.

The table below sets forth our Research and development expenditure for the periods indicated:

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Research and development expenses	**349,724**	154,532
Adjustments:		
Add: Intangible assets acquired from third parties and capitalized	**—**	2,728
Less: Amortization expense of capitalized intangible assets included in Research and development expenses	**(18,949)**	(15,888)
Total research and development expenditure	**330,775**	141,372

CAPITAL EXPENDITURES AND COMMITMENTS

Capital Expenditures

Our capital expenditures primarily relate to purchases of property, plant and equipment, intangible assets and right-of-use assets. For the six months ended June 30, 2025 and 2026, we incurred capital expenditures of RMB18.10 million and RMB53.11 million, respectively.

Capital Commitments

Our capital expenditure commitments primarily consist of commitments to procure property, plant and equipment, and intangible assets. As of December 31, 2025 and June 30, 2026, we had capital commitments of RMB41.38 million and RMB20.20 million, respectively.

FOREIGN EXCHANGE

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the group entities' functional currency. The Company's functional currency is RMB. The Company's subsidiaries were incorporated in Chinese Mainland, Singapore, and Hong Kong SAR and these subsidiaries considered RMB, USD, and USD as their functional currencies, respectively. We closely monitor our foreign exchange exposures and will take actions as necessary to mitigate the impact of exchange rate fluctuations.

PLEDGE OF ASSETS

As of June 30, 2026, we did not have any material pledge of assets.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

During the Reporting Period, we did not hold any significant investments, nor did we undertake any material acquisitions or disposals of subsidiaries, associates or joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of June 30, 2026, we did not have any specific plans for material investments or acquisition of capital assets, other than those disclosed in the Prospectus and this announcement.

EMPLOYEES AND REMUNERATION POLICY

As of June 30, 2026, we had 249 employees. Total employee benefit expenses for the six months ended June 30, 2026 amounted to RMB302.43 million (including share-based compensation expenses).

We provide remuneration packages including salaries, bonuses, social insurance contributions, housing provident fund and other welfare benefits. We also provide share-based incentive schemes to eligible employees. We regularly provide training and development programs to enhance employee skills and capabilities.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

As the H Shares were listed on the Stock Exchange on April 28, 2026, the Corporate Governance Code was not applicable to the Company prior to the Listing Date.

During the period from the Listing Date to June 30, 2026, the Company had complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules, save for the deviation from Code Provision C.2.1 as disclosed below.

Pursuant to Code Provision C.2.1 of Part 2 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, 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 separate and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Dr. Shen Yichen ("**Dr. Shen**") currently performs these two roles. The Board believes that vesting the roles of both chairman 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. Specifically, as the pioneering scientist who first proposed the theory of utilizing light to perform AI algorithms, Dr. Shen possesses the relevant technical expertise that forms the cornerstone of the Group's research and development. His scientific background is indispensable for translating optical AI technologies into commercially viable products. As the founder of the Group, Dr. Shen's unified leadership ensures that the Group's long-term strategic roadmap aligns with the Group's specialized technological capabilities and future development goals. Having him serve as both chairman and chief executive officer bridges high-level board oversight with day-to-day operational execution, ensuring that the Group's complex R&D milestones are rapidly and effectively commercialized. 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 Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and review such practices from time to time to ensure compliance with statutory and professional standards and alignment with the latest developments.

Compliance with the Model Code

The Company has adopted the Model Code as its own code of conduct for dealings in the securities of the Company by the Directors since the Listing Date.

Upon specific enquiry of all Directors, each of the Directors confirmed that they have complied with the Model Code during the period from the Listing Date to June 30, 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The H Shares of the Company were first listed on the Main Board of the Stock Exchange on the Listing Date. As disclosed in the next day disclosure return of the Company dated May 14, 2026, the Company issued and allotted 2,069,280 H Shares on May 14, 2026 pursuant to the full exercise of the Over-allotment Option.

During the period from the Listing Date to June 30, 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As of June 30, 2026, the Company did not hold any treasury shares.

REVIEW OF INTERIM RESULTS

The Company has established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. The Audit Committee currently consists of three independent non-executive Directors, namely, Ms. Xu Lili, Dr. Huang Weiping and Dr. Zhao Hang. The Audit Committee is chaired by Ms. Xu Lili.

The Audit Committee has reviewed the unaudited consolidated interim financial information of the Group for the Reporting Period and this announcement, and discussed with the management and auditor of the Company the accounting principles and practices adopted by the Group.

The interim financial information for the Reporting Period has not been audited but has been reviewed by PricewaterhouseCoopers, the auditor of the Company, in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board.

SUBSEQUENT EVENTS

Save as disclosed in this announcement, there were no significant events affecting the Group after June 30, 2026 and up to the date of this announcement.

Update on the report on groundless allegations to the local law enforcement authority

Reference is made to the clarification announcement published on June 5, 2026 in relation to the market rumours containing groundless allegations regarding our Director's conduct and the Company's operational information.

As of the date of this announcement, pursuant to the decision on administrative penalty, the local law enforcement authority has identified the person responsible for the groundless allegations and imposed administrative penalty on the responsible person.

INTERIM DIVIDEND

Taking into account the Company's overall operating results, financial position and future development, and considering that the Company does not have any distributable profits for the Reporting Period, the Board does not recommend the distribution of any interim dividend for the Reporting Period. (For the six months ended June 30, 2025: nil).

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

	Note	Six months ended 30 June **2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
Revenue	*4*	**79,779**	20,793
Cost of sales	*5*	**(27,256)**	(12,486)
Gross profit		**52,523**	8,307
Selling and marketing expenses	*5*	**(39,499)**	(21,241)
General and administrative expenses	*5*	**(120,958)**	(53,943)
Research and development expenses	*5*	**(349,724)**	(154,532)
Reversal of impairment of financial assets		**158**	354
Other income		**120,584**	52,847
Other losses — net		**(14,487)**	(3,945)
Operating loss		**(351,403)**	(172,153)
Finance income		**12,079**	3,962
Finance costs		**(889)**	(1,523)
Finance income — net		**11,190**	2,439
Fair value changes of financial instruments issued to investors	*10*	**(2,916,531)**	(176,555)
Loss before income tax		**(3,256,744)**	(346,269)
Income tax expenses	*6*	**—**	—
Loss for the period		**(3,256,744)**	(346,269)
Other comprehensive (loss)/gain			
Item that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(3,359)**	2,723
Item that may not be reclassified to profit or loss			
Change in fair value attributable to credit risk change		**299**	(9,185)
Other comprehensive loss, net of tax		**(3,060)**	(6,462)
Total comprehensive loss for the period		**(3,259,804)**	(352,731)
Loss per share attributable to the owners of the Company			
Basic and diluted loss per share *(RMB)*	*7*	**(63.08)**	(11.92)

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

	Note	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Assets			
Non-current assets			
Property, plant and equipment		**192,274**	183,700
Right-of-use assets		**7,070**	11,257
Intangible assets		**27,047**	46,804
Finance lease receivables		**5,432**	6,872
Prepayments, other receivables and other assets		**16,364**	23,445
Bank deposits		**20,325**	20,025
Total non-current assets		**268,512**	292,103
Current assets			
Inventories		**14,454**	28,541
Trade receivables	*8*	**71,826**	87,218
Finance lease receivables		**2,935**	2,907
Prepayments, other receivables and other assets		**114,083**	110,703
Financial assets at fair value through profit or loss		**94,290**	324,965
Restricted cash		**137**	137
Bank deposits		**1,673,673**	82,200
Cash and cash equivalents		**1,070,203**	209,058
Total current assets		**3,041,601**	845,729
Total assets		**3,310,113**	1,137,832
Equity/(deficit)			
Equity/(deficit) attributable to owners of the Company			
Share capital		**94,037**	78,173
Reserves		**9,044,482**	(1,419,136)
Accumulated deficits		**(6,195,241)**	(2,906,889)
Total equity/(deficit)		**2,943,278**	(4,247,852)

	Note	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Lease liabilities		**8,154**	13,320
Deferred income		**132,917**	146,295
Total non-current liabilities		**141,071**	159,615
Current liabilities			
Trade payables	*9*	**8,156**	6,735
Other payables and accruals		**50,065**	78,044
Contract liabilities	*4(a)*	**17,839**	21,622
Deferred income		**127,690**	182,137
Borrowings		**9,990**	—
Lease liabilities		**12,024**	13,380
Financial instruments issued to investors	*10*	**—**	4,924,151
Total current liabilities		**225,764**	5,226,069
Total liabilities		**366,835**	5,385,684
Total deficit and liabilities		**3,310,113**	1,137,832
Net current assets/(liabilities)		**2,815,837**	(4,380,340)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Deficit attributable to owners of the Company			
	Paid-in capital/ share capital	Reserves	Accumulated deficits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)				
As at 1 January 2026	**78,173**	**(1,419,136)**	**(2,906,889)**	**(4,247,852)**
Comprehensive loss				
Loss for the period	**—**	**—**	**(3,256,744)**	**(3,256,744)**
Change in fair value attributable to credit risk change	**—**	**299**	**—**	**299**
Exchange differences on translation of foreign operations	**—**	**(3,359)**	**—**	**(3,359)**
Total comprehensive loss	**—**	**(3,060)**	**(3,256,744)**	**(3,259,804)**
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	**15,864**	**2,412,002**	**—**	**2,427,866**
Conversion of ordinary shares with preference rights to ordinary shares without preference rights	**—**	**7,840,383**	**—**	**7,840,383**
Transfer of credit risk of financial instruments issued to investors on derecognition to accumulated deficit	**—**	**31,608**	**(31,608)**	**—**
Equity-settled share-based payments	**—**	**182,685**	**—**	**182,685**
Total transactions with owners	**15,864**	**10,466,678**	**(31,608)**	**10,450,934**
As at 30 June 2026	**94,037**	**9,044,482**	**(6,195,241)**	**2,943,278**

	Deficit attributable to owners of the Company			
	Paid-in capital/ share capital	Reserves	Accumulated deficits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)				
As at 1 January 2025	69,728	158,724	(3,281,325)	(3,052,873)
Comprehensive loss				
Loss for the period	—	—	(346,269)	(346,269)
Change in fair value attributable to credit risk change	—	(9,185)	—	(9,185)
Exchange differences on translation of foreign operations	—	2,723	—	2,723
Total comprehensive loss	—	(6,462)	(346,269)	(352,731)
Transactions with owners in their capacity as owners				
Recognition of financial instruments issued to investors	7,104	(7,104)	—	—
Transfer of credit risk of financial instruments issued to investors on disposal to accumulated deficit	—	689	(689)	—
Deemed distributions to related parties	—	(66,835)	—	(66,835)
Equity-settled share-based payments	—	38,270	—	38,270
Total transactions with owners	7,104	(34,980)	(689)	(28,565)
As at 30 June 2025	76,832	117,282	(3,628,283)	(3,434,169)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Cash flows used in operating activities			
Cash used in operations		**(187,614)**	(92,730)
Cash flows used in investing activities			
Purchase of property, plant and equipment and intangible assets		**(46,970)**	(76,787)
Placement of bank deposits		**(1,671,821)**	(50,000)
Redemption of bank deposits		**82,200**	50,000
Interests received from cash and cash equivalents and bank deposits		**8,836**	3,072
Purchase of short-term investments measured at fair value through profit or loss		**(380,000)**	(1,111,000)
Proceeds from disposal of short-term investments measured at fair value through profit or loss		**610,743**	718,451
Proceeds from sub-lease of office space		**1,373**	1,129
Government grants related to assets received		**28,130**	—
Net cash used in investing activities		**(1,367,509)**	(465,135)
Cash flows generated from financing activities			
Gross proceeds from issuance of ordinary shares		**2,542,801**	—
Proceeds from increase in equity without preference rights by the Company		**—**	25,498
Proceeds from issuance of financial instruments to investors with preference rights by the Company	*10(b)*	**—**	300,000
Repayment of convertible debentures to investors	*10(b)*	**—**	(54,162)
Cash paid to Youguang Cayman for acquisition of offshore operating entity pursuant to the Reorganisation		**—**	(375,540)
Cash received from the preferred shareholders to flip down their equity interests from Youguang Cayman to the Company		**—**	510,195
Cash received from convertible debentures investors pursuant to Reorganisation		**—**	81,151

	Note	Six months ended 30 June **2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
Repayment to convertible debentures investors pursuant to Reorganisation		**—**	(81,151)
Net cash settled related to amounts due from Youguang Cayman arising from the issuance of preferred shares		**—**	209,593
Option exercise deposits received from employees on behalf of Youguang Cayman		**—**	565
Payment of listing expenses		**(110,369)**	—
Lease payments		**(6,908)**	(7,298)
Proceeds from bank borrowings		**9,990**	47,000
Interest paid for bank borrowings		**(55)**	(175)
Net cash generated from financing activities		**2,435,459**	655,676
Net increase in cash and cash equivalents		**880,336**	97,811
Cash and cash equivalents at beginning of period		**209,058**	348,336
Effect of changes in foreign exchange rates		**(19,191)**	(5,235)
Cash and cash equivalents at end of period		**1,070,203**	440,912

NOTES TO THE FINANCIAL INFORMATION

1 GENERAL INFORMATION

Shanghai Xizhi Technology Co., Ltd. (the "**Company**") was incorporated in the People's Republic of China (the "**PRC**") on 27 February 2018. The address of the Company's registered office is No. 111, 125 and 139 Bo Xia Road, Pilot Free Trade Zone, Shanghai, PRC.

On 23 July 2025, the Company convened a general meeting and passed related resolutions approving the conversion of the Company from a limited liability company into a joint stock limited company and changed the name of the Company to Shanghai Xizhi Technology Co., Ltd. ("上海曦智科技股份有限公司", the former Chinese name is "上海曦智科技有限公司").

The principal activities of the Company and its subsidiaries (the "**Group**") are the sales of optical interconnect and optical computing hardware, solutions and related services dedicated to enhancing computing efficiency, as well as research and development activities in relation to optical interconnect and optical computing business ("**Listing Business**") mainly in the People's Republic of China (the "**PRC**") and other geographical areas.

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

On 28 April 2026, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and made an offering of 13,795,215 ordinary shares (excluding any ordinary shares issued pursuant to the exercise of the over-allotment option) at a price of Hong Kong Dollar ("**HK$**") 183.2 per share. Additionally, the Company issued and allotted 2,069,280 ordinary shares on 14 May 2026 pursuant to the full exercise of the over-allotment option as disclosed in the announcement of the Company dated 11 May 2026. The gross proceeds received by the Company were approximately HK$2,906,375,000, equivalent to approximately RMB2,542,801,000 (the "**Listing Proceeds**"). All preference rights granted to investors of ordinary shares with preference rights were converted into ordinary shares without preference rights upon the completion of initial public offering ("**IPO**") on 28 April 2026.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard 34 *"Interim Financial Reporting"*.

This condensed consolidated interim financial information does not include all the notes normally included in an annual financial report. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements of the Group for the years ended 31 December 2023, 2024 and 2025, which have been prepared in accordance with IFRS Accounting Standards, as set out in the accountant's report (the "**Accountant's Report**") included in the Appendix I to the Company's prospectus dated 20 April 2026.

The Group was at a relatively early stage of commercialization of its products and the operating loss was approximately RMB351,403,000 and RMB172,153,000 for the six months ended 30 June 2026 and 2025, respectively. As at 30 June 2026, the Group has cash and cash equivalents of RMB1,070,203,000 and short term and long term bank deposits of RMB1,693,998,000. Taking into account the termination of the redemption rights as mentioned above and together with the conversion of all the financial instruments issued to investors into equity on 28 April 2026 and the Listing Proceeds, the directors are of the opinion that the Company will have sufficient cash resources to satisfy its future working capital in the next twelve months from 30 June 2026. Accordingly, the directors consider that it is appropriate that the condensed consolidated interim financial information is prepared on a going concern basis.

2.2 Accounting policies

The accounting policies and methods of computations used in the preparation of the condensed consolidated interim financial information are consistent with those of the Accountant's Report for the years ended 31 December 2023, 2024 and 2025, except for the adoption of new and amended IFRS effective for the financial period beginning on 1 January 2026.

New and amended standards adopted by the Group

A number of new and revised IFRSs became applicable for the reporting periods presented. For the purpose of preparing this condensed consolidated interim financial information, the Group has adopted all applicable new and revised IFRSs except for any new standards or interpretation that are not yet effective for the reporting period ended 30 June 2026.

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

New standards and interpretations not yet adopted

The following are new standards, amendments to existing standards and new interpretations that have been issued but are not effective for the current reporting period, and have not been early adopted. The Group plans to adopt these new standards, amendments to standards and new interpretations when they become effective:

Standards and amendments	Effective for accounting periods beginning on or after
IFRS 18 Presentation and Disclosure in Financial Statement	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Translation to a Hyperinflationary Presentation Currency — Amendments to IAS 21	1 January 2027
IFRS 20 Regulatory Assets and Regulatory Liabilities	1 January 2029
Sale or Contribution of Assets between an Investor and its Associate — Amendments to IFRS 10 and IAS 28	To be determined

According to the assessment made by the directors of the Company, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for IFRS 18 which will mainly impact the presentation of the condensed consolidated statements of comprehensive loss.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Impact on consolidated statements of comprehensive loss:

Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

- Foreign exchange differences

  Foreign exchange differences currently aggregated in the line item "other gains/(losses) — net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit, unless doing so would involve undue cost or effort.

- Gain or loss of investments measured at fair value through profit or loss

  The gain or loss of investments measured at fair value through profit or loss is currently aggregated in the line item "other gains/(losses) — net" in operating profit and will be presented below operating profit.

Impact on consolidated balance sheets:

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

Impact on disclosures:

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- For the first annual period of application of IFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

3 SEGMENT INFORMATION

The Group's business activities are sales of optical interconnect and optical computing and provision of application development and other services mainly in the PRC.

The Group's chief operating decision-maker ("**CODM**") has been identified as the directors, who review consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports. As substantially all of the Group's non-current assets are all located in the PRC and substantially all of the Group's revenue is derived from the PRC, no geographical information is presented.

The following illustrates the revenue from customers contributing over 10% of the total revenue of the Group:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer I	**19,660**	—
Customer II	**15,655**	—
Customer III	**13,891**	—
Customer IV	**12,700**	—
Customer V	*	6,991
Customer VI	**—**	5,111
Customer VII	**—**	3,196
Customer VIII	**—**	2,735

* *Less than 10%*

Except for customers listed above, no other customer contributed over 10% of the total revenue of the Group for the six months ended 30 June 2026 and 2025, respectively.

4 REVENUE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Optical interconnect business		
— Sale of products	**55,907**	16,027
— Technology development services	**4,792**	144
Subtotal of optical interconnect business	**60,699**	16,171
Optical computing business		
— Sale of products	**18,478**	2,735
— Technology development services and others	**602**	1,887
Subtotal of optical computing business	**19,080**	4,622
Total revenue	**79,779**	20,793

The Group derives revenue from the transfer of products, services and others at a point in time as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Point in time	**79,779**	20,793

The following table shows unsatisfied performance obligations resulting from contracts that are partially or fully unsatisfied:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Aggregate amount of the transaction price allocated to a long-term contract that are partially or fully unsatisfied, to be recognized:		
— Within 1 year	**6,321**	6,321

Except for the unsatisfied performance obligations resulting from certain long-term technology development contract disclosed above, other unsatisfied or partially unsatisfied performance obligations are expected to be recognized in the following year and are not disclosed separately.

(a) Contract liabilities

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

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current portion	**17,839**	21,622

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying products are yet to be delivered, or underlying services are yet to be provided.

The following table shows the revenue recognized in the six months ended 30 June 2026 and 2025 related to carried-forward contract liabilities:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue recognized that was included in the contract liabilities at the beginning of the period	**21,622**	—

(b) Assets recognised from costs to fulfil a contract

In addition to the contract balances disclosed above, the Group has also recognised assets in relation to costs to fulfil service contracts. These are presented within prepayments, other receivables and other assets in the condensed consolidated balance sheets:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current portion	**2,248**	2,670
Loss allowance	**—**	—
	2,248	2,670

5 EXPENSES BY NATURE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**302,433**	145,163
Raw materials, consumables used and outsourcing costs	**37,092**	16,527
Changes in inventories of work in progress and finished goods	**9,740**	(256)
Depreciation of property, plant and equipment	**44,501**	13,690
Intangible asset amortisation	**19,757**	16,654
Depreciation of right-of-use assets	**4,187**	4,056
Design and development expenses	**65,809**	19,599
Office expenses	**4,240**	2,418
Travelling expenses	**3,054**	2,222
Short-term lease expenses	**3,641**	1,895
IP license expenses	**15,230**	2,731
Marketing and promotion expenses	**1,536**	239
Provision for inventories	**2,620**	—
Share-based compensation expenses to consultants	**—**	5,826
Professional service fees	**8,665**	9,207
Listing expenses	**10,383**	—
Miscellaneous	**4,549**	2,231
	537,437	242,202

6 INCOME TAX EXPENSES

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period of six months ended 30 June 2026 is 0% (for the period of six months ended 30 June 2025: 0%).

7 LOSS PER SHARE

On 29 August 2025, the Company was converted into a joint stock company with limited liability and a total 76,831,836 ordinary shares with par value of RMB1.0 each were issued and allotted to the respective owners of the Company according to the share capital registered under these equity holders on that day. For the purpose of computation of basic and diluted losses per share, the weighted average number of ordinary shares in issue without preference rights before the conversion into a joint stock limited company was determined assuming the share capital had been fully converted into ordinary share without preference rights deemed in issue at the same conversion ratio of 1:1 as upon conversion into joint stock limited company.

(a) Basic loss per share

The basic loss per share during the periods presented is calculated by dividing the loss attributable to owners of the Company by the weighted average number of share capital registered without preference rights, taking into the effects of conversion the Company into a joint stock limited company as mentioned above.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company *(RMB'000)*	**(3,256,744)**	(346,269)
Weighted average number of ordinary shares deemed in issue	**51,628,970**	29,044,347
Basic loss per share for loss attributable to owners of the Company *(expressed in RMB per share)*	**(63.08)**	(11.92)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of share capital registered with and without preference rights to assume termination of all preference rights granted to investors. As the Group incurred losses for the six months ended 30 June 2026 and 2025, those share capital fully paid and registered with preference rights during the period, i.e. financial instruments issued to investors were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended 30 June 2026 and 2025 are the same as basic loss per share of the respective periods.

8 TRADE RECEIVABLES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Due from third parties	**73,417**	88,940
Gross trade receivables	**73,417**	88,940
Less: provision for impairment	**(1,591)**	(1,722)
Net trade receivables	**71,826**	87,218

The carrying amounts of the Group's trade receivables excluding provision for impairment, are denominated in the following currencies:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
RMB	**71,227**	87,432
USD	**2,190**	1,508
	73,417	88,940

The credit terms given to trade customers are determined on an individual basis with normal credit period ranged from 30–180 days. The aging analysis of the trade receivables based on the date of revenue recognition is as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Up to 1 year	**70,529**	88,818
1 to 2 years	**2,888**	122
	73,417	88,940

Due to the short-term nature of the trade receivables, their carrying amounts are considered to be approximately the same as their fair values.

The Group does not hold any collateral as security over these debtors.

9 TRADE PAYABLES

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Payables for inventories	**8,156**	6,637
Payables for service fee	**—**	98
	8,156	6,735

The aging analysis of the trade payables, based on invoice date, is as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Less than 1 year	**8,156**	6,735

The carrying amounts of trade payables are considered to be approximated to their fair values, due to their short-term nature.

Trade payables are denominated in:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
— RMB	**8,156**	6,712
— USD	**—**	23
	8,156	6,735

The carrying amounts of trade payables are considered to be approximated to their fair values, due to their short-term nature.

10 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Current liabilities		
Preferred shares	**—**	—
Financial instruments issued to investors with preference rights in the Company (a)	**—**	4,924,151
Total financial instruments issued to investors	**—**	4,924,151

(a) Financial instruments issued to investors with preference rights in the Company

Starting from the date of reorganisation ("**Reorganisation**"), the Company gradually issued its own equity interests to majority of the preferred investors in LightAI Ltd. ("**Youguang Cayman**") and convertible debenture investors in the Group's PRC subsidiaries, including Series A, Series A+, Series A2, Series B, Series B+, Series C1 and Series C2 round investors. The rights of the investors are substantially the same before and after the Reorganisation. The Company also issued its own equity interests to certain new investors, i.e. the Series C3 and Series C4 round investors.

(b) The movement for the financial instruments issued to investors during the periods presented

	Before Reorganisation				
	Preferred shares	**Convertible debentures**	**Subtotal**	**Financial instruments issued to investors with preference rights by the Company (a)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)					
As at 1 January 2026	**—**	**—**	**—**	**4,924,151**	**4,924,151**
Changes in fair value through profit or loss	**—**	**—**	**—**	**2,916,531**	**2,916,531**
Changes in fair value due to own credit risk	**—**	**—**	**—**	**(299)**	**(299)**
Conversion into ordinary shares without preference rights upon IPO (i)	**—**	**—**	**—**	**(7,840,383)**	**(7,840,383)**
As at 30 June 2026	**—**	**—**	**—**	**—**	**—**

	Preferred shares *RMB'000*	Before Reorganisation Convertible debentures *RMB'000*	Subtotal *RMB'000*	Financial instruments issued to investors with preference rights by the Company (a) *RMB'000*	Total *RMB'000*
(Unaudited)					
As at 1 January 2025	99,972	412,186	512,158	3,309,553	3,821,711
Issuance of financial instruments	—	—	—	300,000	300,000
Changes in fair value through profit or loss	2,712	13,044	15,756	160,799	176,555
Changes in fair value due to own credit risk	774	1,058	1,832	7,353	9,185
Conversion into financial instruments issued to investors with preference rights in the Company	—	(372,126)	(372,126)	372,126	—
Repayment of convertible debenture	—	(54,162)	(54,162)	—	(54,162)
As at 30 June 2025	103,458	—	103,458	4,149,831	4,253,289

(i) All financial instruments issued to investors with preference rights were converted into ordinary shares without preference rights upon completion of the listing of the Company's shares on 28 April 2026. Accordingly, no further gains or losses related to valuation changes in these instruments would be recorded after the conversion. In addition, the cumulative loss recognised in other comprehensive income related to the financial instruments issued to investors with preference rights due to changes of fair value in the liability's credit risk of RMB31,608,000 was transferred from other reserves to accumulated losses upon IPO.

11 DIVIDENDS

No dividend had been declared or paid by the Company for the six months ended 30 June 2026 and 2025.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.xztech.ai. The interim report of the Company for the six months ended June 30, 2026 containing all the information required by the Listing Rules will be published on the same websites and dispatched (if requested) to the Shareholders in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meaning set out below.

"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"China" or "PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires otherwise, references in this announcement to "China" and the "PRC" do not apply to Hong Kong, the Macao Special Administrative Region and Taiwan
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	Shanghai Xizhi Technology Co., Ltd. (上海曦智科技股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (stock code: 1879)
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Global Offering"	has the same meaning as defined in the Prospectus
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"HKEX Guide"	the "Guide for New Listing Applicants" published by the Stock Exchange in November 2023 which took effect on January 1, 2024
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"H Share(s)"	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
"IFRS"	IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and Interpretation issued by the International Accounting Standards Committee
"Interim Financial Information"	the condensed consolidated interim financial information of the Group for the Reporting Period
"Listing"	the listing of the H Shares on the Stock Exchange
"Listing Date"	April 28, 2026, being the date on which the H Shares were listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Over-allotment Option"	has the same meaning as defined in the Prospectus
"Pre-IPO Investor(s)"	the investor(s) of the pre-IPO investment(s) in the Company, the details of which are set out in "History, Development and Corporate Structure–Pre-IPO Investments" in the Prospectus
"Prospectus"	the prospectus of the Company dated April 20, 2026
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	the six months ended June 30, 2026

"SFO"	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.0 each, comprising Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Specialist Technology Product(s)"	has the meaning ascribed thereto under the Listing Rules
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"U.S." or "United States"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"US$"	United States dollars, the lawful currency of the United States
"Unlisted Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
"%"	per cent

By order of the Board
Shanghai Xizhi Technology Co., Ltd.
上海曦智科技股份有限公司
Dr. Shen Yichen
Founder, Chairman of the Board,
Executive Director and Chief Executive Officer

Hong Kong, August 21, 2026

As at the date of this announcement, the Board comprises: (i) Dr. Shen Yichen, Dr. Meng Huaiyu, Mr. Wang Long and Mr. Zhang Hong as executive Directors; (ii) Mr. Yu Ze and Mr. Zhang Kun as non-executive Directors; and (iii) Dr. Huang Weiping, Dr. Zhao Hang and Ms. Xu Lili as independent non-executive Directors.