Black Sesame International Holding Limited
黑芝麻智能國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2533)

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

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended June 30, 2026, together with comparative figures for the six months ended June 30, 2025. These interim results have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and have been reviewed by PricewaterhouseCoopers, the Company's auditor. These interim results have also been reviewed and confirmed by the Board and the Audit Committee.

KEY HIGHLIGHTS

Financial Summary

	Six months ended June 30,				**Period-over-period change**
	2026		2025		
	Amount	**% of revenue**	Amount	% of revenue	%
	(RMB in thousands, except for percentages)				
Revenue	**458,467**	**100.0**	252,882	100.0	81.3
Gross profit	**226,917**	**49.5**	62,697	24.8	261.9
Loss for the period	**(770,290)**	**(168.0)**	(762,364)	(301.5)	1.0
Non-IFRS Measures:					
Adjusted net loss	**(643,153)**	**(140.3)**	(548,709)	(217.0)	17.2

* *For identification purposes only*

MANAGEMENT DISCUSSION AND ANALYSIS

As generative artificial intelligence (AI) technologies continue to iterate, the focus of AI industry development is gradually shifting from cloud-based large-model training to a new phase driven by scenario-based deployment. The cloud-edge-device collaborative architecture has become an industry consensus. Relying solely on cloud computing power can no longer meet practical needs such as real-time response, data security and operational costs. From intelligent vehicles and humanoid robots to smart terminals across various industries, the intelligentisation of the physical world is continuously unleashing demand for local inference chips with high computing power, low power consumption and high security. On-device computing power is becoming the core track for the next round of AI industry competition, offering vast and long-term growth potential. The industry currently presents diversified commercialisation paths, with two development models, including closed-loop self-development and open ecosystem, evolving in parallel.

In the first half of 2026, the AI industry accelerated its expansion from cloud-based training to on-device inference and physical world applications, and the demand for computing power from intelligent vehicles, robots and various smart terminals grew rapidly. The Group clearly defined its strategic vision of "becoming the world's strongest on-device AI inference solution provider", driving the Group's business to build a full-scenario computing platform covering driving assistance, embodied AI and general on-device AI. During the Reporting Period, the Group achieved revenue of RMB458.5 million, representing a year-on-year increase of 81.3% compared with the same period in 2025; in the first half of 2026, the Group achieved total chip shipments of over 6 million units. The embodied AI and solutions business recorded revenue of RMB47.2 million, successfully outlining the Group's second growth curve.

BUSINESS REVIEW

(I) Steady progress in driving assistance business, with continuous advancement in the commercialisation of high-end and cross-domain products

During the Reporting Period, the Group accelerated the industrialisation and implementation of its advanced driving assistance computing-power platform, and the Group's driving assistance business achieved a year-on-year growth of 66.8%. Following the launch of the Huashan A2000 series at the beginning of the year, the Group is accelerating the designated projects and mass production of the A2000 solution with several mainstream original equipment manufacturers (OEMs) including Dongfeng, Yutong and Chery; at the same time, the Group continues to deepen its business cooperation with strategic leading customers, and the cooperation scope has covered multiple fields such as passenger vehicles, commercial vehicles and unmanned logistics. We have secured designated projects for mass production covering L2+ to L3 driving assistance functions, and the chip's engineering adaptation capabilities have been validated in high-end autonomous driving scenarios. With the successive rollout of supporting solutions jointly developed with algorithm partners such as DeepRoute.ai and Nullmax, the Huashan A2000 chip will officially enter the mass production phase in the second half of the year.

To support the large-scale mass production and delivery of the A2000, the Group simultaneously established a comprehensive and open advanced driving assistance system. This system is built upon high-computing-power chips, self-developed supporting software SDK, full-chain AI toolchains, and end-to-end/Vision-Language-Action (VLA) reference models, while also being compatible with third-party algorithm ecosystems. The entire technical solution has been benchmarked in advance against the Mandatory National Standard for Safety Requirements for Automated Driving Systems of Intelligent and Connected Vehicles, which will come into effect on July 1, 2027, thereby completing early-stage preparations for the large-scale commercial deployment of L3 autonomous driving.

The cross-domain fusion product line has simultaneously achieved a key breakthrough. The Wudang C1200 series is the first domestic cockpit-driving integrated chip platform to achieve mass production, and it has been deployed in the Dongfeng Tianyuan intelligent cockpit platform. It is expected to see large-scale vehicle installation and delivery in the second half of 2026, thereby strengthening the Group's presence in the cross-domain fusion sector. Meanwhile, mature products continue to strengthen the core business, with the Huashan A1000 assisted driving solutions maintaining volume growth among customers such as Dongfeng, FAW and BYD, steadily contributing to the Group's core business revenue.

(II) Embodied AI and solutions business transitions from project validation to scale growth, with significant expansion of partnership ecosystem

During the Reporting Period, leveraging its mature automotive-grade engineering capabilities, the Group seized the industry window period for domestic substitution and scale development, and deeply cultivated diverse robotics tracks including consumer-grade, industrial-grade, specialised and humanoid robotics, continuously strengthening the embodied AI and solutions business as its second growth curve. During the Reporting Period, the Group's revenue from embodied AI and solutions business reached RMB47.2 million. During the Reporting Period, the Group steadily advanced in-depth cooperation with leading robotics industry chain enterprises. At the same time, we strengthened our strategic cooperation with large enterprises such as COSCO SHIPPING Holdings and Midea Group to anchor robot terminal scenarios, and consistently secured volume orders from industry-leading customers.

The technology system continued to improve, and the computing platform capabilities were comprehensively upgraded. The Group's self-developed SesameX multi-dimensional embodied AI computing platform covers multi-level computing power needs from 48 TOPS to nearly 700 TOPS, and has formed standardised computing power modules and replicable solutions, significantly improving delivery efficiency. The Kalos and Aura computing platforms achieved volume shipments in areas such as robotic arms, collaborative robots, and quadruped inspection robots. The brand-new Liora embodied AI module has completed algorithm feasibility validation in collaboration with leading humanoid robot manufacturers and is about to commence sample delivery and testing, which can effectively replace high-cost overseas computing power solutions, thereby laying a solid technical foundation for the subsequent deployment of full-form and full-scenario robotics applications.

(III) Acquisition of Eeasy Tech completed to complement low-power on-device SoC capabilities, with general AI commercial deployment exceeding expectations

During the Reporting Period, the Company completed the acquisition of Eeasy Tech. Eeasy Tech focuses on low-power, cost-effective AI SoCs and full-stack solutions, with core technology accumulation in neural processing unit (NPU), image signal processor (ISP), audio/video codec and analogue IP. Its products have already achieved volume production in scenarios such as intelligent vehicle and on-device smart AI. According to the operating statistics after the completion of the acquisition, Eeasy Tech achieved operating revenue of RMB164.5 million in the first half of 2026, showing significant improvement compared with the same period of the last year, reflecting that its product structure optimisation, new customer onboarding and scale effects are gradually being realized.

BUSINESS OUTLOOK

Leading global AI companies are accelerating the expansion of AI Agents from cloud-based conversational capabilities to interaction with the physical world, making physical AI the main battleground for the next round of generative AI competition. In real-world scenarios, the demand for low-latency, high-security local computing power for intelligent agents is surging, opening up a trillion-scale on-device inference market. The industry development path presents a diversified and parallel pattern, with ecosystem value further highlighted.

In the first half of 2026, the Group remained committed to its strategic vision of "becoming the world's strongest on-device AI inference solution provider". Going forward, the Group will continue to focus on its core on-device AI inference strategy, driving product scaling, ongoing technological iteration and business model innovation along three major fronts – the core intelligent vehicle business, the new robotics track and the broader on-device AI market – while consistently strengthening its full-stack technological barriers.

(I) Intelligent vehicle business: deepening the mass production penetration of advanced intelligent driving and broadening the commercial boundaries of scenarios

The Group will continue to focus on the large-scale deployment of high-computing-power products. The Group will collaborate with core algorithm partners to accelerate the mass production integration of A2000-based integrated software and hardware solutions into more automakers, striving to secure mass production designated projects for core models from more leading customers, and continuously improve customer coverage and model penetration. At the same time, we are advancing the model designation and mass production of our C1200 cockpit-driving integration product with cost-effective vehicle models of leading automakers. Alongside batch supply and supporting implementation of existing projects in L3-L4 scenarios such as commercial vehicles, unmanned logistics and robotaxi, intelligent driving scenarios continue to scale up.

In addition, the Group will actively explore a new customised chip business model, leveraging the Group's accumulated experience in intelligent driving chips and solutions, continuously engaging with leading domestic automakers, AI companies and robotics companies in customisation cooperation discussions, further diversifying the Group's business models and revenue structure, and providing core support for the Group's business development.

(II) Robotics business: achieving multi-scenario and multi-point breakthroughs, solidifying the second growth curve

The Group will continue to strengthen the contribution of embodied AI and solutions as its second growth curve, deepen customer expansion across sectors such as industrial collaborative robots, commercial services and government-enterprise demonstration projects, and advance multiple key projects to the stage of prototype delivery and deployment evaluation. In the commercial service sector, products are fully adapted to various commercial service robot scenarios, continuously broadening the boundaries of civilian intelligent service deployment. In the industrial application sector, the Group is actively implementing emerging industrial robot scenarios such as intelligent sorting, facilitating the intelligent upgrading of industries. In the special operations sector, the Group has introduced customised solutions for sea-air robotic dogs, with project iteration and acceptance progressing in an orderly manner; meanwhile, leveraging local industrial policies, it is actively positioning itself in high-risk replacement special robot scenarios such as firefighting and industrial mining, continuously unlocking growth space in professional and high-barrier tracks. In the humanoid robot sector, technology adaptation and commercial deployment continue to accelerate, continuously strengthening the core competitiveness in the high-end robotics track and building long-term growth momentum for the business.

(III) General on-device AI business: deepening industrial integration and broadening the consumer-grade incremental market

The Group will continue to deepen business integration and synergistic development with Eeasy Tech, through unified product planning, sharing of customer resources, reuse of algorithm toolchains, joint R&D efforts, and collaboration in wafer, IP and packaging and testing supply chains, comprehensively accelerating the product introduction pace into new incremental markets such as smart home appliances, action cameras, gimbals, and AI glasses. At the same time, it will actively expand new product lines such as robotic vacuum cleaners and lawn mowing robots, refine the general on-device AI product matrix, and continuously unlock performance potential through synergistic advantages, driving Eeasy Tech's performance to steadily improve in the second half of the year.

(IV) Core technologies: continuous upgrading and iteration to build a full-stack technological barrier

At the technology R&D level, the Group will focus on the three core directions of product implementation, technological evolution and platform upgrading, consistently strengthening its core technology competitiveness. Building upon its existing product lines, the Group has initiated pre-research and development of the new-generation chips, further refining its computing power deployment for the future era of physical AI and intelligent agents. Underlying core IP will focus on tackling the two core technologies of high-bandwidth interconnect and high-performance data compression, continuously optimising memory utilisation efficiency and data transmission capabilities. At the same time, it will strengthen the differentiated advantage of functional safety hard isolation across the entire chip series, continuously enhance the chips' adaptability to edge large models and physical AI scenarios, and provide solid technical support for the deployment of on-device AI across multiple scenarios.

(V) Innovative business model: expanding customised chip business and building a diversified revenue system

The Group will position the customised chip business as a medium-to-long-term core incremental business model, and on the basis of deepening intelligent vehicle customisation cooperation, will gradually extend to robotics and general AI downstream customers. Leveraging its technological capabilities in on-device lightweight large models, it will build a general-purpose on-device AI inference platform, gradually forming a diversified revenue structure comprising chip sales, software services, collaborative technology customisation development, and AI inference servers, continuously unlocking the Group's long-term growth potential.

Overall, in the second half of 2026, the Group will follow the industry trend of generative AI being deployed into the physical world, remain firmly committed to the golden track of on-device AI inference, and continue to amplify the synergistic advantages of its multi-business operations spanning intelligent vehicle, robotics and general on-device AI. Through its continuously iterating chip product portfolio and open ecosystem strategy, the Group will fully empower intelligent scenarios in the real world and make every effort to consolidate its core competitiveness and industry leadership in the global on-device AI inference solution sector.

The following table sets forth the comparative figures for the six months ended June 30, 2026 and 2025:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**458,467**	252,882
Cost of sales	**(231,550)**	(190,185)
Gross profit	**226,917**	62,697
Selling expenses	**(37,698)**	(51,510)
General and administrative expenses	**(136,194)**	(170,106)
Research and development expenses	**(859,726)**	(618,130)
Net impairment losses on financial assets	**(18,320)**	(11,445)
Other income	**7,204**	7,397
Other gains – net	**46,619**	9,803
Operating loss	**(771,198)**	(771,294)
Finance income	**14,872**	27,439
Finance costs	**(12,567)**	(17,099)
Finance income, net	**2,305**	10,340
Share of net loss of associates accounted for using the equity method	**(1,361)**	(1,410)
Loss before income tax	**(770,254)**	(762,364)
Income tax expense	**(36)**	–
Loss for the period attributable to the equity holders of the Company	**(770,290)**	(762,364)
Non-IFRS Measures		
Adjusted net loss	**(643,153)**	(548,709)

FINANCIAL REVIEW

Revenue

Our revenue increased by 81.3% from RMB252.9 million for the six months ended June 30, 2025 to RMB458.5 million for the six months ended June 30, 2026, primarily attributable to further optimisation of the business structure and the expansion in scale of the driving assistance business and the embodied AI business.

Driving Assistance Products and Solutions

Our revenue from driving assistance products and solutions increased by 66.8% from RMB236.8 million for the six months ended June 30, 2025 to RMB395.1 million for the six months ended June 30, 2026, primarily attributable to the fact that (i) the advanced driving assistance solutions achieved sustained large-scale mass production and delivery in the passenger vehicle market, and the passenger vehicle driving assistance business accelerated the progress of new designated projects and mass production with leading OEMs; (ii) meanwhile, with the implementation of relevant regulations in the commercial vehicle and special-purpose vehicle sectors, the installation rate of L2-L3 level assisted driving in commercial vehicles and special-purpose vehicles recorded significant growth compared with the same period last year.

Intelligent Imaging Solutions

Our revenue from intelligent imaging solutions remained relatively stable, amounting to RMB16.1 million and RMB16.2 million for the six months ended June 30, 2025 and 2026, respectively.

Embodied AI and Solutions

Our revenue from embodied AI and solutions for the six months ended June 30, 2026 was RMB47.2 million, primarily due to our continued deepening of our ecosystem collaboration within the robotics industry chain and our securing of volume orders from industry-leading customers.

Cost of Sales

Our cost of sales increased by 21.7% from RMB190.2 million for the six months ended June 30, 2025 to RMB231.6 million for the six months ended June 30, 2026, primarily due to the increase in the cost of sales for driving assistance products and solutions.

Driving Assistance Products and Solutions

The cost of sales for driving assistance products and solutions increased by 21.7% from RMB187.4 million for the six months ended June 30, 2025 to RMB228.1 million for the six months ended June 30, 2026, primarily representing the increase in the costs relating to hardware components and labor costs.

Intelligent Imaging Solutions

The cost of sales for intelligent imaging solutions decreased by 64.0% from RMB2.8 million for the six months ended June 30, 2025 to RMB1.0 million for the six months ended June 30, 2026, which was primarily due to the increase in the percentage of revenue generated from the licensing of our self-developed software and algorithms, which do not require hardware components.

Embodied AI and Solutions

The cost of sales for embodied AI and solutions for the six months ended June 30, 2026 was RMB2.5 million, primarily due to the labour costs for robotics business algorithms and software, as well as the costs of adapted hardware components.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our overall gross profit increased by 261.9% from RMB62.7 million for the six months ended June 30, 2025 to RMB226.9 million for the six months ended June 30, 2026. Our gross profit margin for driving assistance products and solutions increased from 20.9% for the six months ended June 30, 2025 to 42.3% for the six months ended June 30, 2026, as the optimisation of the sales product mix for driving assistance products and solutions has led to an increase in the proportion of sales of high-margin advanced driving assistance solutions, algorithms and software. Our gross profit margin for intelligent imaging solutions business increased from 82.4% for the six months ended June 30, 2025 to 93.7% for the six months ended June 30, 2026. This was primarily due to a further increase in the percentage of revenue generated from the licensing of self-developed software and algorithms, which do not require hardware components and have higher gross margins. Our gross profit margin for embodied AI solutions for the six months ended June 30, 2026 was 94.8%, primarily because our standardised computing modules and replicable solutions require only minimal adaptation costs for delivery. As a result of the foregoing, our overall gross profit margin increased from 24.8% for the six months ended June 30, 2025 to 49.5% for the six months ended June 30, 2026.

Research and Development Expenses

Our research and development expenses increased by 39.1% from RMB618.1 million for the six months ended June 30, 2025 to RMB859.7 million for the six months ended June 30, 2026, primarily because we have increased our investment in areas such as automotive-grade chips, AI, computing power and large-model algorithms.

Selling Expenses

Our selling expenses decreased by 26.8% from RMB51.5 million for the six months ended June 30, 2025 to RMB37.7 million for the six months ended June 30, 2026, primarily due to a decrease in share-based compensation expenses for sales personnel.

General and Administrative Expenses

Our general and administrative expenses decreased by 19.9% from RMB170.1 million for the six months ended June 30, 2025 to RMB136.2 million for the six months ended June 30, 2026, primarily due to a decrease in the share-based compensation expenses for management personnel.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets amounted to RMB11.4 million and RMB18.3 million for the six months ended June 30, 2025 and 2026, respectively.

Other Income

Our other income remained relatively stable at RMB7.4 million and RMB7.2 million for the six months ended June 30, 2025 and 2026, respectively.

Other Gains – Net

We recorded other gains, net of RMB9.8 million for the six months ended June 30, 2025, while we had other gains, net of RMB46.6 million for the six months ended June 30, 2026, primarily attributable to the increase in fair value of financial assets and the foreign exchange gains due to fluctuations in exchange rate.

Finance Income – Net

Our finance income, net decreased by 77.7% from RMB10.3 million for the six months ended June 30, 2025 to RMB2.3 million for the six months ended June 30, 2026, primarily due to a decrease in interest income on bank deposits.

Loss for the Period

As a result of the foregoing, we recorded a net loss of RMB762.4 million for the six months ended June 30, 2025, while we had a net loss of RMB770.3 million for the six months ended June 30, 2026.

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Reconciliation of net loss to adjusted net loss (non-IFRS measure):		
Loss for the period	**(770,290)**	(762,364)
Add:		
Share-based compensation expenses	**127,137**	213,655
Adjusted net loss for the period (non-IFRS measure)	**(643,153)**	(548,709)

LIQUIDITY AND FINANCIAL RESOURCES

We have historically funded our cash requirements principally from capital contribution from Shareholders. We had cash and cash equivalents and current financial assets at fair value through profit or loss of RMB1,268.2 million as of June 30, 2026, compared to the balance of RMB1,530.7 million as of December 31, 2025.

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**(1,021,107)**	(538,176)
Net cash used in investing activities	**(127,807)**	(44,482)
Net cash generated from financing activities	**874,342**	1,105,390
Net (decrease)/increase in cash and cash equivalents	**(274,572)**	522,732
Cash and cash equivalents at the beginning of the period	**1,446,756**	1,448,106
Effects of exchange rate changes on cash and cash equivalents	**(33,693)**	(4,346)
Cash and cash equivalents at the end of the period	**1,138,491**	1,966,492

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 June 30, 2026	As of December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Borrowings	**680,708**	739,892
Lease liabilities	**51,387**	38,682
Total	**732,095**	778,574

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. The Group's businesses are principally conducted in RMB. The majority of non-RMB assets and liabilities are cash and cash equivalents denominated in USD.

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

Employees, Training and Remuneration Policies

As of June 30, 2026, the Group had 1,133 employees. The number of employees employed by the Group varies from time to time depending on needs.

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

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

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

Use of Proceeds from the 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, and 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$384.8 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**	**Net proceeds unused as of January 1, 2026**	**Actual use of net proceeds during the Reporting Period**	**Unused net proceeds as of June 30, 2026**	**Expected timeline for fully utilizing the Net Proceeds from the Placing**[1]
	(%)	*(Approximately HK$ million)*	*(Approximately HK$ million)*	*(Approximately HK$ million)*	*(Approximately HK$ million)*	
(i) Research and Development of Core Technology	**30.0**	**371.2**	**164.2**	**135.4**	**28.8**	
• Development of next-generation intelligent automotive SoCs	20.0	247.5	123.5	94.7	28.8	Within 2026
• Development of assisted driving solutions	10.0	123.7	40.7	40.7	–	
(ii) Research and Development of Advanced Technology	**25.0**	**309.4**	**125.9**	**73.6**	**52.2**	
• Development of core IPs	20.0	247.5	105.9	53.6	52.2	Within 2026
• Development of robotics technology	5.0	61.9	20.0	20.0	–	
(iii) Enhancement of the Group's Commercialisation Capabilities	**27.0**	**334.1**	**182.3**	**135.4**	**46.9**	
• Enhancement of product and solution delivery capabilities	17.0	210.4	107.9	107.9	–	
• Expansion of the sales team	10.0	123.7	74.4	27.5	46.9	Within 2026
(iv) Selective Strategic Investments	**8.0**	**99.0**	**–**	**–**	**–**	
(v) General Working Capital Purposes	**10.0**	**123.7**	**40.3**	**40.3**	**–**	
Total	**100.0**	**1,237.4**	**512.7**	**384.8**	**127.9**	

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.

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, upon which 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 per Share 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.

During the Reporting Period, approximately HK$133.4 million of the net proceeds from the First Subscription was utilized by the Group. Unused net proceeds were held by way of deposits in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). Details of the use of the net proceeds from the First Subscription and the expected timeline for the full 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**	**Actual use of net proceeds during the Reporting Period**	**Unused net proceeds as of June 30, 2026**	**Expected timeline for fully utilizing the net proceeds from the First Subscription[(1)]**
	(%)	*(Approximately HK$ million)*	*(Approximately HK$ million)*	*(Approximately HK$ million)*	
(i) Strategic mergers and acquisitions and investments	90.0	484.3	79.6	404.7	within 2026
(ii) General working capital purposes	10.0	53.8	53.8	–	
Total	**100.0**	**538.1**	**133.4**	**404.7**	

Note:

(1) The expected timeline for utilizing the remaining net proceeds 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.

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**"). All the conditions set out in the Second Subscription Agreement were fulfilled, and the Second Subscription was completed on May 8, 2026, where a total of 33,544,600 new Shares (with an aggregate nominal value of US$3,354.46) have been successfully allotted and issued to the Subscriber at the subscription price of HK$18.88 per Share pursuant to the terms and conditions of the Second Subscription Agreement. 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). For details, please refer to the announcements of the Company dated March 9, 2026, March 18, 2026 and May 8, 2026, respectively.

During the Reporting Period, the Group utilized approximately HK$187.3 million of the net proceeds from the Second Subscription. 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 Second Subscription and the expected timeline for fully utilizing the net proceeds from the Second Subscription are set out as follows:

Intended use of the net proceeds from the Second Subscription	Planned proportion of the net proceeds	Planned use of the net proceeds	Actual use of net proceeds during the Reporting Period	Unused net proceeds as of June 30, 2026	Expected timeline for fully utilizing the net proceeds from the Second Subscription[1]
	(%)	*(Approximately HK$ million)*	*(Approximately HK$ million)*	*(Approximately HK$ million)*	
(i) Research and development over core technologies	**50.0**	**316.2**	**105.8**	**210.4**	
• 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	30.0	189.7	105.8	83.9	2026: 70% utilized 2027: 30% utilized
• Establishment of overseas research and development centers, with a view to enhancing the Group's global R&D collaboration capabilities	20.0	126.5	0	126.5	2026: 70% utilized 2027: 30% utilized
(ii) Product commercialisation and market expansion of the Group	**40.0**	**253.0**	**61.5**	**191.5**	
• Promotion of the certification, adaptation and mass-production resource deployment for the Group's latest high-performance assisted driving chips and platforms with key customers	20.0	126.5	14.0	112.5	2026: 70% utilized 2027: 30% utilized
• Expansion of the robotics product line and on-device AI product line for accelerating product commercialisation	20.0	126.5	47.5	79.0	2026: 70% utilized 2027: 30% utilized
(iii) General working capital purposes	**10.0**	**63.2**	**20.0**	**43.2**	2026: 70% utilized 2027: 30% utilized
Total	**100.0**	**632.4**	**187.3**	**445.1**	

Note:

(1) The expected timeline for utilizing the remaining net proceeds 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 63.8% and 43.6% as of December 31, 2025 and June 30, 2026, respectively.

Contingent Liabilities

As of June 30, 2026, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that was likely to have a material and adverse effect on our business, financial condition or results of operations.

Significant Investments Held

As of June 30, 2026, we did not hold any significant investments (including any investments in investee companies that accounted for 5% or more of the Group's total assets as at June 30, 2026).

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Acquisition of 60% equity interest in Eeasy Tech 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 Tech) 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.

Due to the scheduling of the relevant procedures, completion of the Equity Transfer and the Capital Increase took place on 24 June 2026 and 26 June 2026, respectively, in accordance with the terms and conditions of the Equity Transfer Agreement and the Capital Increase Agreement. Upon the completion of the Acquisition, the Company indirectly owns 60% equity interest in the Target Company through an SPV, and the Target Company has become a non-wholly owned subsidiary of the Company, and its financial results have been consolidated into the Group's consolidated financial statements.

For further details of the Acquisition, please refer to the Company's announcements dated December 31, 2025, January 27, 2026, June 17, 2026 and July 14, 2026, as well as the circular dated June 2, 2026 (the "**Circular**"). Terms used herein shall have the same meanings as defined in the Circular.

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 June 30, 2026, 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, the Group has no specific future plan for material investments and acquisition of capital assets during the Reporting Period and up to the date of this announcement. The Group will continue to identify new investment opportunities in companies with principal businesses related to the Group's core business with a view to creating synergies with the Group's existing core business and improving the Group's services and products to its customers.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	Note	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	3	**458,467**	252,882
Cost of sales	4	**(231,550)**	(190,185)
Gross profit		**226,917**	62,697
Selling expenses	4	**(37,698)**	(51,510)
General and administrative expenses	4	**(136,194)**	(170,106)
Research and development expenses	4	**(859,726)**	(618,130)
Net impairment losses on financial assets		**(18,320)**	(11,445)
Other income		**7,204**	7,397
Other gains – net		**46,619**	9,803
Operating loss		**(771,198)**	(771,294)
Finance income		**14,872**	27,439
Finance costs		**(12,567)**	(17,099)
Finance income, net		**2,305**	10,340
Share of net loss of associates accounted for using the equity method		**(1,361)**	(1,410)
Loss before income tax		**(770,254)**	(762,364)
Income tax expense	5	**(36)**	–
Loss for the period attributable to the equity holders of the Company	6	**(770,290)**	(762,364)

	Note	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Change in foreign currency translation of the financial statements of the Company		**(165,487)**	(17,110)
Items that may be subsequently reclassified to profit or loss			
Change in foreign currency translation of the financial statements of the subsidiaries of the Company		**103,559**	6,633
Other comprehensive loss		**(61,928)**	(10,477)
Total comprehensive loss for the period attributable to the equity holders of the Company		**(832,218)**	(772,841)
Loss per share for loss attributable to the equity holders of the Company (in RMB)			
Basic	*6*	**(1.18)**	(1.30)
Diluted	*6*	**(1.18)**	(1.30)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at June 30, 2026** *RMB'000* **(Unaudited)**	As at December 31, 2025 *RMB'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**88,026**	75,051
Right-of-use assets		**47,971**	36,449
Intangible assets		**604,512**	30,879
Investments accounted for using the equity method		**12,551**	13,912
Prepayments and other receivables		**14,692**	14,592
Financial assets at fair value through profit or loss ("**FVPL**")		**200,824**	147,380
Total non-current assets		**968,576**	318,263
Current assets			
Inventories		**209,984**	51,225
Trade and notes receivables	*7*	**737,266**	499,713
Prepayments and other receivables		**258,557**	246,828
Financial assets at FVPL		**129,706**	83,928
Cash and cash equivalents		**1,138,491**	1,446,756
Total current assets		**2,474,004**	2,328,450
Total assets		**3,442,580**	2,646,713
LIABILITIES			
Non-current liabilities			
Borrowings		**9,400**	–
Lease liabilities		**30,484**	19,118
Other payables and accruals		**37,128**	29,316
Total non-current liabilities		**77,012**	48,434

	Note	As at June 30, 2026 *RMB'000* (Unaudited)	As at December 31, 2025 *RMB'000* (Audited)
Current liabilities			
Trade payables	*8*	**310,413**	213,299
Contract liabilities		**26,764**	17,411
Borrowings		**671,308**	739,892
Lease liabilities		**20,903**	19,564
Other payables and accruals		**774,101**	449,162
Total current liabilities		**1,803,489**	1,439,328
Total liabilities		**1,880,501**	1,487,762
EQUITY			
Equity attributable to owners of the Company			
Share capital		**504**	453
Other equity		**(31,590)**	(17)
Reserves		**14,859,915**	13,751,396
Accumulated losses		**(13,363,171)**	(12,592,881)
Non-controlling interests		**96,421**	–
Total equity		**1,562,079**	1,158,951
Total equity and liabilities		**3,442,580**	2,646,713

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company						
	Share capital *RMB'000*	Other equity *RMB'000*	Reserves *RMB'000*	Accumulated losses *RMB'000*	Sub-total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
(Unaudited)							
As at January 1, 2026	**453**	**(17)**	**13,751,396**	**(12,592,881)**	**1,158,951**	**–**	**1,158,951**
Comprehensive loss							
Loss for the period	–	–	–	(770,290)	(770,290)	–	(770,290)
Foreign currency translation	–	–	(61,928)	–	(61,928)	–	(61,928)
Total comprehensive loss for the period	**–**	**–**	**(61,928)**	**(770,290)**	**(832,218)**	**–**	**(832,218)**
Transactions with owners in their capacity as owners							
Share-based compensation expenses	–	–	127,137	–	127,137	–	127,137
Issuance of ordinary shares relating to placing, net of other issuance costs	43	–	1,030,339	–	1,030,382	–	1,030,382
Issuance of ordinary shares to employee share scheme trusts	4	(4)	–	–	–	–	–
Repurchase of ordinary shares	–	(31,573)	–	–	(31,573)	–	(31,573)
Acquisition of a subsidiary	–	–	–	–	–	96,421	96,421
Vest of Restricted Share Unit ("**RSU**")	–	4	(4)	–	–	–	–
Exercise of share options	4	–	12,975	–	12,979	–	12,979
Total transactions with owners in their capacity as owners for the period	**51**	**(31,573)**	**1,170,447**	**–**	**1,138,925**	**96,421**	**1,235,346**
As at June 30, 2026	**504**	**(31,590)**	**14,859,915**	**(13,363,171)**	**1,465,658**	**96,421**	**1,562,079**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash used in operations	**(1,035,708)**	(565,393)
Interest received from cash at banks	**14,637**	27,217
Payment for income taxes	**(36)**	–
Net cash used in operating activities	**(1,021,107)**	(538,176)
Cash flows from investing activities		
Payments of property, plant and equipment	**(37,146)**	(25,997)
Payments for intangible assets	**(22,657)**	(19,391)
Loans to a related party	**(10,000)**	(35,000)
Interest received from loans to a related party	**1,050**	–
Payments for financial assets at FVPL	**(112,797)**	(35,848)
Proceeds from maturity of financial assets at FVPL	**–**	71,754
Dividends received from financial assets at FVPL	**369**	–
Cash acquired from acquisition of a subsidiary	**53,374**	–
Net cash used in investing activities	**(127,807)**	(44,482)
Cash flows from financing activities		
Issuance of ordinary shares relating to placing, net of other issuance costs	**1,030,382**	1,142,139
Proceeds from borrowings	**191,743**	110,000
Repayment of borrowings	**(300,000)**	(150,000)
Interests paid for borrowings	**(19,630)**	(11,283)
Principal payments of lease liabilities	**(8,496)**	(7,075)
Interest paid for lease liabilities	**(1,063)**	(1,156)
Payments for listing expenses	**–**	(1,392)
Repurchase of ordinary shares	**(31,573)**	–
Proceeds from exercise of stock options	**12,979**	24,157
Net cash generated from financing activities	**874,342**	1,105,390
Net (decrease)/increase in cash and cash equivalents	**(274,572)**	522,732
Cash and cash equivalents at beginning of period	**1,446,756**	1,448,106
Exchange losses on cash and cash equivalents	**(33,693)**	(4,346)
Cash and cash equivalents at end of period	**1,138,491**	1,966,492

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 ("**the Stock Exchange**") on August 8, 2024.

The Group has completed acquisition of Zhuhai Eeasy Technology Co., Ltd. ("**Eeasy Tech**") on June 30, 2026 and Eeasy Tech primarily provides automotive-grade products and technologies and focuses on the development and sales of high-cost-performance and low-power artificial intelligence SoC and solutions.

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

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

This condensed consolidated interim financial information for the six months ended June 30, 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 annual report for the year ended December 31, 2025 and any public announcements made by the Company during the interim reporting period.

For the six months ended June 30, 2026, the Group incurred operating losses of RMB771,198 thousand and the Group's net cash used in operating activities was RMB1,021,107 thousand, attributable primarily to significant research and development ("**R&D**") expenditures. As at June 30, 2026, the Group had cash and cash equivalents of RMB1,138,491 thousand, accumulated losses of RMB13,363,171 thousand, current liabilities included borrowings of RMB1,803,489 thousand due for repayment within the next twelve months. These adverse events and conditions may cast significant doubt about the Company's capability to continue as a going concern for at least twelve months from the end of the reporting period as of June 30, 2026.

In light of such circumstances, the directors of the Group have carefully considered the future liquidity, the operating performance of the Group, and its potential available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least twelve months from June 30, 2026. The following plans and measures have been implemented to mitigate liquidity pressure and improve the Group's financial position:

(a) The Group will take active measures to control its operating expenditures, monitor its cash position from time to time and may adjust uncommitted expenditure where necessary, including but not limited to (i) streamlining its operations to maintain a reasonable size of R&D teams and undertaking new major R&D projects in a prudent manner, and (ii) making effort to capture market opportunities for revenue growth;

(b) Subsequent to June 30, 2026, the Group obtained new bank borrowings with a total amount of RMB357,150 thousand, including a ten year long-term borrowings of RMB300,000 thousand. The Group has been in negotiations with banks for loan financing and has obtained additional uncommitted credit quota. The directors of the Company believe that the Group will be able to secure new bank borrowings when and as needed based on the Group's historical experiences and relationships with the banks;

(c) The Group has been successful in raising funds through private placements in recent years, and the most recent round of financing occurred in May 2026. The management of the Company is confident in raising funds through private placements in a timely manner and is in ongoing discussions with investors that have expressed subscription interest.

The directors of the Group have prepared the Group's cash flow projection, which covers a period of not less than twelve months from June 30, 2026. In the opinion of the directors of the Group, taking into account the above plans and measures and considering the underlying bases of the cash flow forecast, the Group will have sufficient financial resources available to meet its financial obligations as and when they become due and funds to support the continuous operations in the coming twelve months from June 30, 2026. Accordingly, the directors of the Group consider it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis. Nevertheless, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern, which would primarily depend upon the success in timely raising sufficient funds from new bank borrowings and private share placements.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in this condensed consolidated interim financial information.

2.2 Accounting policies

The accounting policies and methods of computations used in the preparation of the interim condensed consolidated financial information are consistent with those of the annual consolidated financial statements of the Group for the year ended December 31, 2025, except for:

(a) the adoption of new and amended IFRS effective for the financial period beginning on January 1, 2026;

(b) the accounting policy of business combination and intangible assets applied in relation to the business combination of Eeasy Tech.

New and amended standards adopted by the Group

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

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

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

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
Amendments to IAS 28 Fair value option for investments in associates and joint ventures	January 1, 2027
IFRS 20 Regulatory Assets and Regulatory Liabilities	January 1, 2029
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.

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.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

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 loss, 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.

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 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 December 31, 2026 will be restated in accordance with IFRS 18.

3 REVENUE

(a) Disaggregation of revenue from contracts with customers

Revenue for the six months ended June 30, 2026 and 2025 are as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from customers and recognised at point in time		
Driving Assistance Products and Solutions	**395,052**	236,785
Intelligent Imaging Solutions	**16,233**	16,097
Embodied AI and Solutions	**47,182**	–
	458,467	252,882

(b) Contract liabilities

During the six months ended June 30, 2026 and 2025, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liability balance were primarily due to the recognition of revenues upon fulfilment of performance obligations.

The following table shows how much of the revenue recognised during the six months ended June 30, 2026 and 2025 is included in the contract liabilities:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue recognised that was included in the contract liability balance at the beginning of the period	**7,707**	440

4 EXPENSES BY NATURE

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefits expenses	**560,842**	569,808
Design and development expenses	**267,710**	173,121
Cost of inventories sold	**221,777**	178,696
Intellectual property ("**IP**") license expenses	**105,784**	59
Depreciation of property, plant and equipment	**25,254**	26,603
Office and travelling expenses	**19,434**	18,351
Amortization of intangible assets	**16,340**	14,530
Outsourcing labor costs	**12,649**	8,545
Marketing expenses	**10,018**	9,371
Depreciation of right-of-use assets	**9,799**	9,882
Legal, consulting and other professional fees	**6,878**	5,676
Provision for impairment of inventories	**1,684**	9,348
Short-term lease expenses	**1,501**	2,794
Others	**5,498**	3,147
Total cost of sales, selling expenses, general and administrative expenses, and research and development expenses	**1,265,168**	1,029,931

5 INCOME TAX EXPENSE

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

6 LOSS PER SHARE

(a) Basic loss per share

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss attributable to the equity holders of the Company (RMB'000)	**(770,290)**	(762,364)
Weighted average number of ordinary shares outstanding (thousand shares)	**650,496**	588,209
Basic loss per share (expressed in RMB per share)	**(1.18)**	(1.30)

(b) Diluted loss per share

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

As the Group incurred losses for the six months ended June 30, 2026, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended June 30, 2026 is the same as basic loss per share for the period.

7 TRADE AND NOTES RECEIVABLES

	As at June 30, 2026 *RMB'000* **(Unaudited)**	As at December 31, 2025 *RMB'000* (Audited)
Trade and notes receivables	**812,601**	553,953
Less: provision for impairment	**(77,846)**	(59,526)
	734,755	494,427
Notes receivables	**2,511**	5,286
	737,266	499,713

The Group usually grants a credit period of 30 days to 180 days to its customers. As at June 30, 2026 and December 31, 2025, the aging analysis of trade and notes receivables based on recognition date of gross trade and notes receivables are as follows:

	As at June 30, 2026 *RMB'000* **(Unaudited)**	As at December 31, 2025 *RMB'000* (Audited)
Up to 3 months	**469,389**	396,578
3 to 6 months	**57,278**	17,954
6 to 9 months	**169,700**	45,401
9 to 12 months	**7,260**	971
over 12 months	**111,485**	98,335
	815,112	559,239

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

8 TRADE PAYABLES

As at June 30, 2026 and December 31, 2025, the aging analysis of the trade payables based on transaction date are as follows:

	As at June 30, 2026 *RMB'000* **(Unaudited)**	As at December 31, 2025 *RMB'000* (Audited)
Up to 6 months	**231,277**	192,000
6 to 12 months	**63,763**	17,998
over 12 months	**15,373**	3,301
	310,413	213,299

9 DIVIDEND

No dividend has been paid or declared by the Company or subsidiaries of the Company during the six months ended June 30, 2026 and 2025 and up to date of this announcement.

OTHER INFORMATION

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

During the Reporting Period, the Company repurchased an aggregate of 1,982,200 Shares on the Stock Exchange at a total consideration of HK$35,956,024 (excluding expenses). All Shares repurchased are currently held as treasury shares (as defined in the Listing Rules). Details of the Shares repurchased during the Reporting Period are set out below:

Month of repurchase	Number of Shares repurchased	Consideration per Share		Aggregate consideration paid
		Highest price paid	Lowest price paid	
		HK$	*HK$*	*HK$*
January 2026	271,200	22.22	22.02	6,000,224
May 2026	1,711,000	17.86	16.32	29,955,800
Total	1,982,200			35,956,024

As of June 30, 2026, the Company held in aggregate 1,982,200 treasury shares (as defined in the Listing Rules). The Company may subsequently, as needed, hold, sell or transfer the treasury shares, or otherwise deal with them in accordance with the Listing Rules.

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including any sale of treasury shares (as defined in the Listing Rules)).

Events After the Reporting Period

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

Corporate Governance Practices

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

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

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman of the Board and the chief executive officer should be separate and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Mr. Shan currently performs these two roles. The Board believes that vesting the roles of both chairman of the Board and the chief executive officer in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning for the Group, and (iii) facilitating the flow of information between the 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.

Interim Dividend

The Board has resolved not to declare an interim dividend for the six months ended June 30, 2026 (for the six months ended June 30, 2025: Nil).

Model Code for Securities Transactions by Directors

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

Audit Committee

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

Publication of the Interim Results and the 2026 Interim Report

This interim results announcement is published on the website of the Stock Exchange at **www.hkexnews.hk** and the website of the Company at **www.blacksesame.com**. The 2026 interim report of the Company contains all information required under the Listing Rules and 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 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"	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
"Eeasy Tech"	Zhuhai Eeasy Technology Co., Ltd. (珠海億智電子科技有限公司), a limited liability company incorporated in the PRC on July 22, 2016 and currently a subsidiary of the Company

"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
"IPO"	the initial public offering
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 of the Listing Rules
"Mr. Shan"	Mr. SHAN Jizhang (單記章), one of the Group's founders, chairman of the Board, an executive Director and the chief executive officer of the Company
"Prospectus"	the prospectus of the Company dated July 31, 2024
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2026
"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)
"SoC"	system-on-chips, an integrated circuit that integrates most or all components of a computer or other electronic system
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "USD"	United States Dollars, the lawful currency of the United States
"%"	per cent

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

Hong Kong, August 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.