SHANGHAI ABLE DIGITAL SCIENCE&TECH CO., LTD.

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

Stock Code : 02687

2026 INTERIM REPORT

Contents

This report contains forward-looking statements in respect of the business outlook. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual performance or achievements to be materially different from those expressed or implied in such forward-looking statements.

Corporate Information

Board of directors

Executive Directors

Mr. WANG Hui
Mr. XI Puzhao
Ms. WANG Xin

Non-executive Directors

Ms. GE Xin
Mr. JIN Xingshen
Ms. WANG Ying

Independent non-executive Directors

Mr. YAU Ka Chi
Prof. LIU Ningrong
Prof. MA Xufei

Supervisors

Mr. LI Quansheng
Mr. HAN Yuze
Mr. WANG Jian

Registered Office

Rooms 901–904, Building 1
No. 1188, Qinzhou North Road, Xuhui District
Shanghai
PRC

Headquarters and Principal Place of Business in the PRC

Rooms 901–904, Building 1
No. 1188, Qinzhou North Road, Xuhui District
Shanghai
PRC

Principal Place of Business in Hong Kong

Room 1910, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Joint Company Secretaries

Ms. CAO Rui
Ms. YEUNG Siu Wai Kitty *(ACG, HKACG)*

Authorised Representatives

Mr. XI Puzhao
Ms. YEUNG Siu Wai Kitty *(ACG, HKACG)*

Audit Committee

Mr. YAU Ka Chi *(Chairman)*
Prof. LIU Ningrong
Prof. MA Xufei

Nomination Committee

Prof. LIU Ningrong *(Chairman)*
Prof. MA Xufei
Ms. GE Xin *(appointed with effect from 26 May 2026)*
Mr. WANG Hui *(retired with effect from 26 May 2026)*

Remuneration Committee

Prof. MA Xufei *(Chairman)*
Prof. LIU Ningrong
Mr. WANG Hui

Legal Advisors

As to Hong Kong law:
Clifford Chance
27th Floor, Jardine House
1 Connaught Place
Central
Hong Kong

As to PRC law:
Commerce & Finance Law Offices
10/F, Tower 1
Jing An Kerry Centre
1515 West Nanjing Road
Shanghai
PRC

Compliance Advisor

Silver Nile Global Investments Limited
Suite 4301, Tower One
Times Square, 1 Matheson Street
Causeway Bay
Hong Kong

Auditor

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

H Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal Bank

Shanghai Pudong Development Bank
Caohejing Branch

Stock Code

2687

Company's Website

www.able-elec.com

Management Discussion And Analysis

Business Review

I. Industry Policy Developments

During the Reporting Period, China issued a series of major top-level policies on science and education:

The Outline of the Plan on Building China into a Leading Country in Education proposes the construction of China's independent knowledge system and the integrated and coordinated development of education, science and technology, and talent. It further clarifies the strategic role of knowledge graph as the infrastructure of this knowledge system. The Opinions and Action Plan on AI + Education and the 15th Five-Year Plan were issued in rapid succession, accelerating the incorporation of intelligent teaching and virtual simulation experiments into new education infrastructure. The Opinions on Accelerating the Digitalization of Education promote the deep integration of large models with education and teaching, as well as the coordinated development of knowledge graph and competency graph. The "101 Plan", officially named the Work Plan for the Pilot Reform of Undergraduate Education and Teaching in Basic Disciplines, has continued to expand into new engineering, new agricultural sciences, and other fields, coupled with the development of disciplinary large models and knowledge graph, driving the coordinated upgrading of curricula, teaching materials, faculty, and practical projects. Together, these policies have established a systematic framework for the construction of an independent knowledge system, university research breakthroughs, and cultivation of innovative talent, providing policy support and market opportunities for the Company's core businesses, including knowledge graph, Polymas agent, and physical AI virtual simulation experiments.

II. Business Operation

The Company focused on two core businesses, namely AI knowledge asset development and AI agents and virtual-physical integrated scenarios, and continuously deepened the integration of artificial intelligence and educational scenarios, maintaining rapid business growth. As at 30 June 2026, the Group recorded total revenue of RMB327.9 million, representing a year-on-year increase of 19.1%. Orders on hand stood at RMB505.4 million, representing a year-on-year increase of 34.7%, providing strong support for future revenue growth. The total number of customers served reached 1,266, representing a net increase of 123 compared with the same period last year, of which 33 were from lighthouse customers[Note 1]. with steady improvements in the customer coverage breadth and market penetration rate.

The customer mix has continued to improve. The number of high-value customers[Note 2] with annual transaction volumes exceeding RMB1 million increased by 26.7% year on year, with revenues contributed growing 36.7%, approximately 1.9 times the growth rate of total revenues. High-value customers[Note 2] have become a key driver of revenue growth, with their revenue contribution increasing from 29.0% to 33.3%, while the average revenue increased from RMB1.774 million to RMB1.915 million. Improvements were seen in the quantity, revenue and revenue contribution simultaneously, leading to the steady enhancement of the revenue structure.

Note 1: Lighthouse customers refer to universities under the "Project 985", "Project 211" and "Double First-Class" initiatives, as well as higher vocational colleges nominated under the "Double High Plan".

Note 2: High-value customers refer to those with annual transaction volume exceeding RMB1 million, and the same definition applies hereinafter.

Our Services And Products

The commercialisation window for the AI products of the Company has fully opened, forming an AI capability closed-loop that bridges the digital and physical worlds. At the foundation layer, a knowledge graph built on a disciplinary knowledge base supplies domain knowledge to AI agents for reasoning. At the middle layer, AI agents harness the knowledge to serve industry-specific scenarios. At the top layer, physical AI virtual simulation experiments and immersive space extend into physical-world modeling and spatial interaction. The three layers, progressing from knowledge to application, and from digital to physical, form a cohesive capability matrix of "digital intelligence to physical intelligence", further strengthening the Company's competitive moats.

AI Knowledge Asset Development

This segment encompasses three product lines: **knowledge graph, digital resources, and physical AI virtual simulation experiments**. Its business essence lies in the structured processing and capitalization of professional knowledge into data infrastructure that can be invoked, reasoned with, and reused by AI. These three product lines perform functions across three tiers – structured knowledge representation (knowledge graph), raw data provision (digital resources), and multi-dimensional spatial modeling (physical AI virtual simulation experiments) – collectively forming a complete capability chain from data accumulation to scenario delivery.

As the core growth engine of this segment, **knowledge graph's** revenue contribution increased from 54.7% to 59.0%, with revenue growing by 28.4% year-on-year. It served more than 750 customers, up 33.4% year-on-year; the growth rate of knowledge graph customers was three times that of overall customer growth, indicating an accelerating pace of market penetration. Based on its disciplinary knowledge base, the Company has accumulated over 20,000 knowledge graphs. The corpus has been constantly updated, which supports the construction of knowledge graphs, with ample room for growth going forward. Knowledge graph distils disciplinary knowledge into semantic networks that encapsulate expert reasoning pathways, endowing large models with professional-grade reasoning precision and logical robustness, thereby building the most entrenched competitive moat distinguishing the Company from general-purpose AI companies.

As the foundational corpus layer of the Company's AI knowledge system, **digital resources** cover multiple types of digital assets, including subject syllabi, teaching procedures, assessment frameworks, and knowledge-based video content. Contract value grew by 22.0% year-on-year. The cumulative volume has exceeded 66,000 items, serving over 2,200 customers in total. These continuously updated professional corpora provide sustained, high-quality data support for upper-layer knowledge graph construction and large model training. Knowledge graphs extract entities and relationships from this corpus, while large models learn professional expression and reasoning paradigms, collectively forming the underlying data moat for our full-modality model matrix.

The **physical AI virtual simulation experiments** business also maintained leading growth momentum, with contract value increasing by 52.6% and the number of customers served growing by 46.4%. During the Reporting Period, the Company continued to expand application scenario boundaries, extensively integrating physical AI capabilities into cutting-edge engineering fields such as unmanned systems and smart logistics. Physical AI virtual simulation experiments extend knowledge from two-dimensional semantic mapping into three-dimensional physical space. By incorporating spatial relationships, operational logic, and real-time feedback, it is the most multi-dimensional representation within the Company's knowledge system. Together with knowledge graphs, they form a composite "Cognition + Operation" knowledge architecture.

AI Agents and Virtual-physical Integrated Scenarios

This segment comprises two product lines: **Polymas agents and immersive space**. Fundamentally, it leverages knowledge assets as its foundation and Polymas agents as the core vehicles to enable scenario-based interactive experiences for end-users across both cloud and on-premise environments. While Polymas agents provide reasoning and execution capabilities, immersive space serves as the physical interface and sensing terminal. Together, they operate in synergy to establish a complete closed loop from data to interaction.

Contract value for **Polymas agent** solutions grew by 62.3% year-on-year, demonstrating strong growth momentum at the outset of commercialization. The product adopts a two-tier architecture comprising "course agent" and "school agent". The course tier focuses on intelligent automation across the entire teaching process, while the school tier supports local deployment and data security. Both tiers invoke platform capabilities through standardized protocols, creating an end-to-end service chain spanning from classroom to campus.

Contract value for **immersive space** rose by 49.8% year-on-year, with customer count surging 77.8%. As the physical interaction interface for Polymas agents, immersive space extends agent reasoning and execution capabilities into offline environments through immersive displays and multimodal human-computer interaction terminals. During the Reporting Period, deployments expanded across multimodal digital twin training centers, industry-education integration bases and virtual simulation laboratories, establishing a closed-loop synergy of "Online Reasoning + Offline Experience" with the cloud-based agent platform and achieving full-scenario coverage from digital to physical spaces.

Due to differences in product delivery models and business development, the growth patterns of the products varied during the Reporting period. The business growth of digital resources, physical AI virtual simulation experiments, and immersive space is primarily reflected in contract value during the Reporting Period, as they require on-site deployment, with implementation cycles spanning multiple accounting periods. The operating revenue from the related orders will be recognized in subsequent accounting periods based on delivery progress, building up a solid performance reserve. Meanwhile, Polymas agent is still in the commercial expansion phase, and its new orders will also be progressively translated into operating revenue in subsequent accounting periods.

Technology, Data And Service Advantages

The Company's technological competitive advantages are rooted in three mutually supportive and difficult-to-replicate pillars: proprietary model capabilities with evidence-based algorithms as its core, industry-specific data assets accumulated through nearly two decades of operation and a service network system characterized by frontline deployment and deep delivery.

Full-Stack AI: Barriers to Self-Development and Full-modality Large Model Matrix

The core barrier of the Company's technology capability system lies in the full-stack AI technology that integrates general and specialized capabilities, having built a full-modality model matrix covering LLM (Large Language Model), VLM (Vision Language Model), VOM (Virtual Object Model), ASR (Automatic Speech Recognition), TTS (Text to Speech), 3DM (3D Model) and WM (World Model), with full-chain coverage from underlying model algorithms, middle-layer data engine to upper-layer interaction carriers. Among them, the self-developed knowledge-domain vertical large model "Polymas" has been iterated to version V5, equipped with VOM and VLM, and integrated with the World Labs world model, driving the co-evolution of the full-modality matrix. Relying on this matrix, the Company can not only deliver data assets such as knowledge graphs and physical AI virtual simulation experiments to users in multimodal forms, but also open up entirely new teaching and research scenarios, including three-dimensional spatial reasoning in physical AI experiments, real-time visual understanding and speech synthesis in digital human interactions, and automatic construction of interdisciplinary knowledge graphs.

A two-way compounding cycle of "data trains models, models expand data" has been formed between the self-developed models and the industry data accumulated over nearly twenty years: high-quality professional corpora continuously improve the models' performance in vertical scenarios, and the progress of model capabilities in turn gives rise to new data types and application scenarios, feeding back to enrich the depth and breadth of data assets. The data layer (knowledge graphs and industry corpora), the application layer (agents and immersive space), together with the underlying models, constitute a closed loop of "data – model – interaction – practice – data": the continuous expansion of knowledge graphs directly enhances the reasoning quality of agents, and the interaction logs of agents in turn feed back to the optimization direction of the graphs, forming an internal flywheel so that product iteration is not constrained by external links.

From the perspective of industrial division of labor, this full-stack positioning enables the Company to occupy an independent value position of "vertical data + scenario interaction". The collaborations with Alibaba Cloud, Volcano Engine and Baidu AI Cloud further verify this positioning – the fact that several leading general-purpose model manufacturers choose to collaborate with the Company rather than replace us is essentially recognition of the irreplaceability of the "industry data layer" and "scenario interaction layer" in our full-stack capabilities.

Industry Data Assets: Triple Irreplicability

General corpora can be acquired through public channels, but high-quality domain-specific data are irreplaceable due to the unique barriers of their sources, structure, and timeliness. The Company's data assets possess triple irreplicability.

Irreplicability of source. Taking advantage of proprietary knowledge data accumulated through nearly two decades of platform operations, we have built an evidence-based knowledge foundation with full-chain traceability of information sources, which, from the underlying mechanism, avoids AI hallucinations and significantly reduces the risk of erroneous information in knowledge generation, thereby establishing an authoritative and trustworthy knowledge supply capability. The entire set of knowledge assets encompasses disciplinary theories and academic literature across all subjects, practical training materials and competency models, experimental and project outcomes, training programs and assessment standards, as well as verification processes and error-correction case studies derived from real academic practice processes, with no publicly available bulk access channels. New entrants cannot compensate for this accumulated gap in the time dimension through short-term investment.

Irreplicability of structure. Every knowledge node in the Company's knowledge graph system is attached with an expert reasoning chain – including criteria for judgement, deduction processes, boundary conditions, and typical error paths. Such data carry expert-level causal logic and reflection mechanisms, and their training value for large model fine-tuning is significantly higher than that of an equivalent volume of general corpora. During the Reporting Period, the volume of graph deliveries continued to grow at a high rate, and the scale of structured knowledge assets invoked by AI is steadily expanding, further widening the data quality gap with potential competitors.

Irreplicability of timeliness. Relying on the sustained use by a large base of institutional clients, the Company has formed a real-time updated data network where the continuous daily input of teaching and research outcomes and interactive feedback keep the data assets "living" in nature rather than as a one-time static corpus. The platform data are directly connected to national-level platforms such as the Ministry of Education, further broadening the continuous supply channel for high-value data.

Service Network: Frontline Deployment and In-Depth Delivery Barriers

The value realization of our self-developed models and data assets depends on a service network that can embed technological capabilities into customers' actual workflows. The Company adopts the FDE (Forward Deployed Engineer) model, under which engineers work closely with universities and frontline research settings, collaborating with client teams to co-build, co-research, and co-deliver digital infrastructure, rather than limiting themselves to one-off delivery of standardized products.

Such service network carries the whole capability chain of the Company from product matrix to engineering delivery. At the product level, it dynamically aligns knowledge bases and reasoning strategies with all primary academic disciplines, with products spanning the entire teaching chain, forming a delivery modality that is "embedded into workflows". At the engineering level, agents have evolved from "conversational AI" to "executional AI", with a two-tier architecture supporting both cloud-based and on-premises multimodal product forms. Within the same delivery cycle, over three thousand projects can be delivered in parallel, and the security and compliance system has been connected to national-level platforms such as the Ministry of Education.

The FDE model endows this service network with three layers of scarcity. First, breadth of coverage – it reaches major university clusters and key research institutions nationwide, forming a physical presence network that competitors cannot easily replicate in the short term. Second, response speed – preemptive services significantly shorten the cycle from requirement elicitation to product iteration, keeping the Company ahead in the pace of product evolution. Third, knowledge feedback – teaching models, disciplinary insights and interaction data generated in frontline scenarios are continuously fed back through the FDE network into the Company's data asset pool, reinforcing the first two barriers (self-developed models and industry data), thereby forming a positive reinforcement loop of "the more we serve, the smarter we become".

Risk Factors

Market competition and technological iteration risks: The industry is undergoing AI-driven structural transformation, while the competitive landscape continues to evolve. On the one hand, general-purpose large model providers are accelerating their penetration into vertical domains, while traditional education informatization enterprises are also ramping up their AI investments, leading to intensified industry competition, which could potentially squeeze product prices and profit margins. On the other hand, due to the shortage of core AI talent, the race for talent is heating up across industries. Meanwhile, the training and continuous iteration of large language models require substantial computing power and significant R&D investment. If the Company fails to continuously attract key talent and maintain heavy R&D investment, it may be in a disadvantageous position amid rapid technological iterations. In addition, industry requirements for digital solutions have shifted from delivery of functional modules to in-depth validation of teaching effectiveness, and customers' evaluation criteria for products have become increasingly stringent. If the Company fails to continuously build a competitive moat through differentiated AI capabilities, it may be exposed to the risk of market share erosion.

Network security and data compliance risks: The business model and operation of the Company are highly dependent on the IT system, involving core links such as the intelligent teaching platform and large AI models, as well as a large quantity of personal information of teachers and students and teaching data, which poses a risk of network security. In the event of malicious attacks, data leakage and other security incidents, it may lead to system disruptions and data loss, impact service continuity, damage user trust, and trigger compliance liabilities, causing adverse impacts on the Company's operating results.

Artificial intelligence regulation and industry reputation risks: The national strategic planning and regulatory frameworks in the fields of education digitalization, information technology and artificial intelligence are continuously evolving. The Chinese government has continuously strengthened the regulation of the artificial intelligence industry, and introduced multiple laws and regulations imposing strict requirements on AI technology research and development, data compliance, algorithm filing, etc. Meanwhile, China has continued to advance the National Strategy for Education Digitalization, with policies and standards on the integration of information technology and education being constantly updated, imposing higher compliance and content security requirements on enterprises. The Company's core business involves the application of large AI models and education technology services. Failure to adapt to policy adjustments in a timely manner or to meet regulatory standards may result in risks including rectification, service suspension, and administrative penalties, which may restrict the business implementation and expansion.

Future Outlook

For the medium and long term, the Company will seize the opportunities presented by major national industrial policies, and continue to steadily advance its full-spectrum business presence, underpinned by three core competitive moats, including structured knowledge assets across all disciplines, self-developed full-modality large model, and frontline in-depth delivery capabilities.

On the product and technology front, the Company will continue to increase AI capital expenditures and continuously expand its computing power clusters, improve multimodal training infrastructure, build an MCP agent development base, and iterate its DAG small-model training scheduling system. The current valuation logic in the industry has undergone profound changes. The ability to maintain sustained and stable AI capital expenditures and iterate on practical vertical applications has become the key anchor of long-term value for AI companies. The Company will further increase its investment in computing power, hardware research and development, and supporting infrastructure for intelligent agent engineering, in a bid to continuously iterate the Polymas full-modality large model, the Polymas data platform, physical AI virtual-physical experiments, and the Wanxiang multi-agent system, improve its integrated product matrix of "structured knowledge foundation + multi-Agent scenario applications + three-dimensional virtual-physical practical training", covering standardized solutions for all disciplines in liberal arts, science, medicine and engineering, and continue to expand the boundaries of implementation in teaching, scientific research and industrial services.

In terms of ecosystem expansion, leveraging collaborative achievements under the National 101 Plan and joint developments with top C9 universities, the Company will further deepen joint R&D of knowledge graphs and agents across disciplines. We will also advance strategic cooperation with leading general-purpose large model providers including Alibaba Cloud, Volcano Engine, Baidu AI Cloud to build a synergistic closed loop covering "general-purpose foundation + vertical domain expertise + implementation in campus settings". For overseas operations, we will leverage the SCO and Belt and Road science and education projects as a springboard to steadily export an independent and controllable disciplinary knowledge service system and explore pathways for international implementation.

At the customer operation level, we will continue to focus on high-value university customers. Leveraging the Forward Deployed Engineer (FDE) model, we will deepen joint research and development between universities and enterprises, and enhance customer lifetime value through the cross-selling of multiple products including knowledge graphs, agents and virtual laboratories, and steadily expand our coverage of higher education institutions nationwide. We will continue to strategically allocate R&D resources, with a focus on advancing core technologies such as evidence-based reasoning, natural language to SQL, automated practical training modelling, and intelligent planning for long-horizon tasks, continuously reinforcing our non-replicable data and technological moats.

From the perspective of industry development, with the improvement of the regulatory systems for AI compliance, data security and intellectual property, the competitive advantages of enterprises with authoritative and traceable professional knowledge, a complete chain of self-developed technologies, and large-scale implementation and delivery capabilities will be further magnified. The Company will maintain steady growth in AI capital expenditures and research and development resources over the long term, and will reinforce value support through sustained investment in technological infrastructure, so as to fully capture the long-term industry dividends arising from education digitalization and intelligent scientific research, thereby promoting the steady and sustainable development of its business.

Financial Review

During the Reporting Period, the Group achieved steady growth in operating results:

The Group's operating revenue increased from RMB275.4 million for the six months ended 30 June 2025 to RMB327.9 million for the six months ended 30 June 2026, representing a year-on-year increase of 19.1%. Gross profit increased from RMB129.2 million for the six months ended 30 June 2025 to RMB165.4 million for the six months ended 30 June 2026, representing a year-on-year increase of 28.0%. The net loss increased by 17.6% from RMB99.0 million for the six months ended 30 June 2025 to RMB116.4 million for the six months ended 30 June 2026, primarily attributable to the continued increase in research and development investment, fixed operating expenses, primarily staff-related costs, and the impact of seasonal revenue fluctuations in the industry.

Revenue Structure

Description of segments and principal activities

Since its inception, the Group has been principally engaged in the provision of the following products and services: (i) digital educational content services and products, and (ii) digital teaching and learning environment services and products in Mainland China. The executive Directors of the Company review the operating results of the business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one business segment which is used to make strategic decisions.

Effective this Reporting Period, the Group has renamed these business activities to better reflect its strategy and operations. "Digital educational content services and products" is now "AI Knowledge Asset Development", covering knowledge graph, digital resources, and physical AI virtual simulation experiments. "Digital teaching and learning environment services and products" is now "AI Agents and Virtual-Physical Integrated Scenarios", covering Polymas agent and immersive space.

Management Discussion And Analysis

This is a name-only change: operating activities of the business as one operating segment remain unchanged. All historical disclosures, including 2025 comparative data, have been updated to reflect the business name change.

Item	Six months ended 30 June 2026 (RMB'000)	2025 (RMB'000)	Year-on-year change (%)
AI knowledge asset development(Note 1)	**294,145**	251,339	**17.0%**
AI agents and virtual-physical integrated scenarios(Note 2)	**33,785**	24,026	**40.6%**
Others	**12**	56	**-78.6%**
Total	**327,942**	275,421	**19.1%**

Note 1: Corresponds to the former "digital educational content services and products"

Note 2: Corresponds to the former "digital teaching and learning environment services and products"

During the Reporting Period, the Group recorded total revenue of RMB327.9 million, representing an increase of 19.1% over the same period last year, with a revenue increase of RMB52.5 million. The growth was primarily attributable to the steady expansion of the AI knowledge asset development business and the rapid volume ramp-up of the AI agents and virtual-physical integrated scenarios business. The detailed analysis is set out below:

I. *Product Dimension*

1) *AI knowledge asset development*

The AI knowledge asset development business recorded revenue of RMB294.1 million during the Reporting Period, representing an increase of 17.0% over the same period last year and accounting for 89.7% of total revenue, remaining the Group's core revenue contributor. Growth in this segment was driven by the continued accumulation of digital resources, steady expansion of the knowledge graph customer base, and accelerated penetration of physical AI virtual simulation experiments, with all product lines contributing in concert to steady revenue growth.

2) AI agents and virtual-physical integrated scenarios

The AI agents and virtual-physical integrated scenarios business recorded revenue of RMB33.8 million during the Reporting Period, representing an increase of 40.6% over the same period last year, outperforming all other product lines. The Polymas agent solutions have expanded from single-subject pilots to multi-subject coverage, with certain benchmark customers continuing to place additional development orders, resulting in a multiple-fold increase in customer lifetime value. This segment creates product complementarity and cross-selling synergy with the Company's AI knowledge asset development business – the same customer can procure a knowledge graph to build a subject capability foundation while also deploying intelligent agents to achieve last-mile implementation in teaching and learning scenarios. The products are naturally synergistic and mutually reinforce customer acquisition and cross-selling opportunities, representing a key direction for the optimization of the Company's future revenue structure.

II. Customer Dimensions

High-value customers are the primary driver of the Group's revenue growth. During the Reporting Period, the number of high-value customers increased by 26.7% year-on-year, contributing aggregate revenue of RMB109.1 million, up 36.7% year-on-year. Their contribution to total revenue rose from 29.0% in the same period last year to 33.3%, while average revenue per customer increased from RMB1.774 million in the same period last year to RMB1.915 million, reflecting continued improvement in customer quality and revenue structure.

Cost of Sales

The Group's cost of sales increased by 11.2% from RMB146.2 million for the six months ended 30 June 2025 to RMB162.6 million for the six months ended 30 June 2026, primarily attributable to increased headcount and related performance-based compensation for production and delivery personnel, as well as higher merchandise procurement costs associated with business expansion.

Gross Profit and Gross Profit Margin

Item	2026 Gross Profit (RMB'000)	2026 Gross Profit Margin (%)	2025 Gross Profit (RMB'000)	2025 Gross Profit Margin (%)
	Six months ended 30 June			
AI knowledge asset development(Note 1)	**141,483**	**48.1%**	114,160	45.4%
AI agents and virtual-physical integrated scenarios(Note 2)	**23,874**	**70.7%**	14,985	62.4%
Others	**6**	**50.0%**	53	94.6%
Total	**165,363**	**50.4%**	129,198	46.9%

Note 1: Corresponds to the former "digital educational content services and products"

Note 2: Corresponds to the former "digital teaching and learning environment services and products"

The Group's gross profit increased from RMB129.2 million for the six months ended 30 June 2025 to RMB165.4 million for the six months ended 30 June 2026, representing a year-on-year increase of 28.0%. Meanwhile, the Group's gross profit margin improved from 46.9% for the six months ended 30 June 2025 to 50.4% for the six months ended 30 June 2026. The increase in gross profit margin was primarily attributable to the continued increase in the proportion of revenue generated by high-margin businesses such as the knowledge graph and Polymas agent, as well as unit cost reductions resulting from improved delivery efficiency enabled by AI technologies.

Distribution and Selling Expenses

The Group's distribution and selling expenses increased from RMB115.0 million for the six months ended 30 June 2025 to RMB137.9 million for the six months ended 30 June 2026, representing an increase of 19.9% compared with the corresponding period of the previous year. This was primarily due to the Company's continued investment in market development initiatives and efforts to expand its sales team, which led to corresponding increases in staff costs and business development expenses.

General and Administrative Expenses

The Group's general and administrative expenses decreased from RMB40.5 million for the six months ended 30 June 2025 to RMB28.6 million for the six months ended 30 June 2026, representing a decrease of 29.4% compared with the corresponding period of the previous year. This was primarily due to the fact that the listing-related professional service fees were included in the general and administrative expenses during the corresponding period of the previous year and such one-time expenses significantly declined during the current period.

Research and Development Expenses

The Group's research and development expenses increased from RMB81.3 million for the six months ended 30 June 2025 to RMB102.5 million for the six months ended 30 June 2026, representing an increase of 26.1% compared with the corresponding period of the previous year, and the research and development (R&D) expenses ratio during the Reporting Period reached 31.3%. The increase in R&D expenses was mainly attributable to the greater resource allocation to strategic growth areas and higher staff costs resulting from the expansion of the R&D team. The key areas of investment included:

1) Advancement of core technologies, focusing on the iterative upgrade of the fully self-developed large model "Polymas". During the Reporting Period, the Company continued to enhance model scale and reasoning capabilities, with evaluation scores in core knowledge application scenarios, including knowledge graph construction, recommendations for personalized learning paths, knowledge reasoning, question-answering and retrieval, steadily improving. Currently, the services based on "Polymas" have been widely adopted by universities nationwide, with token consumption reaching 800 billion per month, maintaining a competitive advantage in the knowledge-focused vertical AI model market.

2) Precise optimization of knowledge graphs and innovation in multimodal interaction algorithms, continuously strengthening the Company's technological moat. During the Reporting Period, the Company continued to advance the iteration of educational knowledge graphs, expand the coverage of knowledge points and enrich associated relationships. In terms of multimodal interaction, the Company continued to optimize core capabilities, including self-developed OCR, speech evaluation, image understanding and formula recognition, facilitating the large-scale deployment of these technologies in educational scenarios.

3) Progress in emerging businesses through increased investment in AI agent research and development. The Company continued to explore the application deployment of agents in educational scenarios, facilitated the product R&D and scenario adaptation in directions such as personalized learning, capability training, adaptive testing, intelligent lesson preparation and learning analytics, particularly in key areas such as algorithm iteration, multi-scenario adaptation, and functional testing, laying the groundwork for future sources of earnings growth.

4) The Company will continue to focus on technological innovation as its primary development direction, strategically allocate R&D resources, and promote the deep integration of technological achievements with educational scenarios. During the Reporting Period, the R&D expenses accounted for 31.3% of revenue, and the continuously increased investment in computing power infrastructure laid a foundation for the iteration of large models and large-scale deployment of agents.

Net Loss

The Group recorded a net loss of RMB116.4 million for the six months ended 30 June 2026, representing an increase of 17.6% compared with RMB99.0 million for the six months ended 30 June 2025. The increase in the loss was primarily due to:

1) Increased R&D expenses: During the Reporting Period, the Group's R&D expenses amounted to RMB102.5 million, representing a year-on-year increase of 26.1%, and the R&D expense ratio reached 31.3%. R&D investments are primarily channeled into key areas such as large model iteration and intelligent agent product optimization, strengthening the Group's long-term technological capabilities and competitive advantages.

2) Increased selling expenses: During the Reporting Period, the Group's distribution and selling expenses amounted to RMB137.9 million, representing a year-on-year increase of 19.9%, and were primarily incurred for sales team expansion and market development, which were strategic investments made ahead of future business expansion.

3) Increased other losses: During the Reporting Period, the Group's other losses amounted to RMB12.5 million, mainly represented the net fair value losses on financial assets at FVPL through profit or loss of RMB12.4 million (for the six months ended 30 June 2025: gains of RMB0.4 million).

4) Revenue seasonality: The Group's revenue recognition shows a distinct concentration in the second half of the year, with the revenue in the first half of the year accounting for a relatively low proportion. As project delivery and acceptance are concentrated in the second half of the year, the associated revenue and profit contributions are expected to be progressively recognised.

Liquidity and Financial Resources

As of 30 June 2026, the Group's liquidity amounted to RMB410.5 million (including cash and cash equivalents, restricted cash and financial assets at fair value through profit or loss), representing a decrease compared with RMB618.1 million as of 31 December 2025. As of 30 June 2026, the Group's borrowings stood at RMB288.3 million, primarily comprising short-term unsecured bank borrowings raised for working capital purposes, representing an increase of RMB195.4 million compared with RMB92.9 million as of 31 December 2025.

The reasons for the changes are set out as follows: (i) continued investment in human resources, resulting in higher operating cash outflows; (ii) business expansion led to an increase in receivables, which, coupled with the relatively long project settlement cycles, created a timing difference in cash recovery, resulting in periodic tied-up funds; and (iii) the scale of inventory increased as the Group expanded inventory purchases to support business growth. These factors collectively increased working capital requirements and reduced the Group's liquidity position. In light of seasonally higher working capital demand in the first half of the year, the Group correspondingly increased its short-term bank borrowings to support normal business operations.

The Group believes that, with the concentrated collection of accounts receivable in the second half of the year, operating cash inflows will gradually materialize, and working capital pressures are expected to ease. In addition, the Group's bank borrowings have transitioned to unsecured credit loans, with borrowing costs further reduced as interest rates decline, which is expected to contribute to lower finance costs going forward.

Trade Receivables and Retention Money Receivables

The Group's trade receivables and retention money receivables increased by 28.0% from RMB523.3 million as of 31 December 2025 to RMB669.7 million as of 30 June 2026, primarily attributable to the continued expansion of the Group's business. The increase was also influenced by the relatively long project acceptance and settlement cycle characteristic of the industry, as well as the seasonality of cash collections, which are concentrated in the second half of the year. As a result, trade receivable balances remained temporarily elevated during the Reporting Period.

Capital Structure

The Company's capital structure management aims to ensure funding for business development, optimise its capital structure, control financial risks, and improve capital utilization efficiency. The Company coordinates its funding sources through diversified channels, including proceeds from the Listing, cash generated from operating activities and bank borrowings, while balancing liquidity and financial stability, thereby providing solid capital support for the sustainable development of its principal businesses and the implementation of its core strategies.

In the first half of 2026, the Company's funding sources primarily derived from cash inflows generated from operating activities, supplemented by a moderate level of bank borrowings and proceeds from the Listing. The overall funding sources remained stable and sustainable. As of 31 December 2025 and 30 June 2026, the Group's cash and cash equivalents amounted to RMB407.8 million and RMB247.3 million, respectively, while its bank borrowings amounted to RMB92.9 million and RMB288.3 million, respectively. The gearing ratio (calculated by using total debt (including lease liabilities) as of the respective dates divided by total equity as of the same date and multiplied by 100%) was 10.8% and 41.6%, respectively. The increase in the liabilities was primarily attributable to increased seasonal working capital requirements and the addition of a new long-term lease of premises. The Group expects the overall level of liabilities to decline correspondingly following the collection of receivables in the second half of the year.

During the Reporting Period, the Group entered into a new five-year lease for office premises, which commenced on 1 May 2026 and was capitalized. As of 30 June 2026, the depreciation of the right-of-use assets and interest expense on the lease liabilities covered two months and did not have a material impact on the Group's profit or loss for the period. Going forward, the Company will dynamically optimize its capital structure based on its business development strategy, changes in the market conditions and actual operational needs by: (i) strengthening the management of operating cash flows, enhancing its internal capital accumulation capability and consolidating its capital foundation; (ii) coordinating various external financing channels, prudently managing financial leverage and balancing funding costs with capital returns; and (iii) establishing an ongoing monitoring and analysis mechanism for the capital structure to ensure that the level of liabilities is aligned with the Company's stage of development and business deployment, thereby safeguarding its long-term stable operations.

Foreign Exchange Risk

The Company's functional currency is RMB. During the Reporting Period, the Company's operations were primarily conducted within the PRC. The Company has not currently established a foreign exchange hedging policy. However, management will continue to monitor foreign exchange-related risks and will consider implementing hedging arrangements for significant foreign exchange exposures when necessary.

Charges on Assets

As of 30 June 2026, the Group had no charges on assets.

Significant Investments

As of 30 June 2026, the Group did not hold any significant investments.

Future Plans for Significant Investments and Capital Assets

As of 30 June 2026, the Group did not have any plans for significant external investments or capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures.

Contingent Liabilities

As of 30 June 2026, the Group had no contingent liabilities.

Employees, Training and Remuneration Policy

The Company values employee protection, talent development, and long-term incentives and provides statutory welfare benefits to employees in accordance with applicable Chinese laws and regulations, including pension insurance, maternity insurance, unemployment insurance, work-related injury insurance, medical insurance, and housing provident funds. The Company implements corresponding working hours and leave arrangements based on job responsibilities, business needs, and actual operating conditions and continuously improves relevant management mechanisms to support business development and enhance employees' work experience.

The Company continuously optimizes its remuneration and welfare management system, establishes a market-competitive and internally fair remuneration system based on job value, individual capabilities, performance, market levels, and the Company's operating conditions, and continuously improves its remuneration and incentive mechanisms in line with business objectives, employee contributions, and business development needs to attract, retain, and motivate talent. The Company has also implemented an employee incentive plan and plans to continue granting share incentives to employees in the future to motivate them to contribute to the Company's growth and development. The Company continuously conducts training related to safety, compliance, and job performance and adheres to the principles of lawful compliance and fair employment. As of 30 June 2026, the Company had a total of 2,873 employees.

Compliance with Relevant Laws and Regulations

During the six months ended 30 June 2026, there were no material violations of laws and regulations related to the Company's operations.

Compliance with the Corporate Governance Code

The Company has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the Listing Rules as its own code of corporate governance. The Board has reviewed the Company's corporate governance practices and is satisfied that, except for code provision C.2.1, the Company has complied with all code provisions set out in the CG Code throughout the Reporting Period.

The roles of the chairman and chief executive should be separate and should not be performed by the same individual under code provision C.2.1 of the CG Code. Mr. Wang Hui is the Chairman and chief executive officer of the Company, who is also one of the founders of the Company and possesses extensive industry experience. The Board believes that, as Mr. Wang Hui has been leading the Group's strategic planning and business development, this arrangement enables the Group to efficiently formulate effective plans and implement business decisions and strategies under strong and consistent leadership, which is beneficial to the overall business management and development of the Group.

To maintain a high standard of corporate governance, the Board will continuously review and monitor the Company's corporate governance practices.

Compliance with the Model Code for Securities Transactions by Directors and Supervisors

The Company has formulated a code of conduct regarding securities transactions for its Directors, Supervisors, Senior Management and relevant employees (the "**Code of Conduct**"), which is no less stringent than the Model Code. Upon specific enquiries to the Directors and Supervisors, all Directors and Supervisors confirmed that they have strictly complied with the Model Code and the Code of Conduct during the Reporting Period. During the Reporting Period, the Company has not found any relevant employees violating the written guidelines.

Review of Interim Results by the Audit Committee

The Audit Committee of the Board of the Company consists of Mr. YAU Ka Chi, Prof. Liu Ningrong and Prof. Ma Xufei, all of whom are independent non-executive Directors. Mr. YAU Ka Chi serves as the Chairman of the Audit Committee and possesses the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed the unaudited interim results for the six months ended 30 June 2026 and has raised no objection to the accounting policies and practices adopted by the Company.

Risk Management and Internal Controls

Whilst pursuing business growth, the Company fully recognises the importance of effectively managing the various risks associated with its operations. It aims to support sustainable business growth while managing risks prudently by implementing appropriate risk management and internal control measures. The Board is responsible for the Company's risk management and internal control systems, and reviews their effectiveness annually to ensure they remain adequate and effective. The Board has authorised the Audit Committee to assist it in overseeing the design and implementation of the risk management and internal control systems.

The Company has established a three-tier internal control system, covering the corporate and compliance tier, the efficiency and business tier, and the data and information tier. An Internal Control Supervisor has been appointed by the Company to co-ordinate and conduct internal control reviews under this system.

During the Reporting Period, the Company conducted risk identification and assessment based on the above three-tier framework. For identified areas requiring improvement in internal controls, the Company has implemented rectification measures including process optimisation and system improvements on a case-by-case basis. Such matters have either been fully rectified or are in the process of being rectified in accordance with the plan. The Internal Control Supervisor will continue to monitor the review process, assess implementation of the rectification measures, and propose recommendations for improvement in respect of internal control weaknesses identified during reviews. The Company will continuously enhance its internal control system based on such recommendations.

The Audit Committee has reviewed the effectiveness of the Company's risk management and internal control systems, and confirmed that adequate resources and budget have been allocated to support their effective operation. Having reviewed the findings of the Audit Committee, the Board considers that the Company's risk management and internal control systems are adequate and effective.

Other Information

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

As at the date of this report, the Company's share capital consists of 66,666,700 ordinary shares, including 4,713,900 domestic shares and 61,952,800 H shares.

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities. As at the end of the Reporting Period, the Company did not hold any treasury shares.

Use of Proceeds from Global Offering

The H shares of the Company were listed on the Main Board of the Stock Exchange on 8 December 2025. After deducting the underwriting fees and related expenses, the net proceeds received from the Global Offering amounted to HK$431.1 million. The Company will utilise these net proceeds for the purposes specified in the prospectus dated 28 November 2025.

The table below shows the plans and actual usage of net proceeds from the Global Offering as of the end of the Reporting Period:

Intended Uses of Proceeds	Percentage of Total Net Proceeds (%)	Allocation of Net Proceeds (HK$ million)	Net Proceeds Utilised (During the Reporting Period) (HK$ million)	Unutilised Net Proceeds (As of June 30 2026) (HK$ million)	Expected Timeline for Use of Unutilised Proceeds
Research and development	36.7	158.3	79.6	78.7	By the end of 2030
• Recruitment and cultivation of R&D personnel	29.0	125.1	56.2	68.9	By the end of 2030
• Improvement of R&D infrastructure	7.7	33.2	23.4	9.8	By the end of 2030
Enhancement of our customer service and support capabilities	31.8	137.2	62.8	74.4	By the end of 2030
• Employee recruitment	26.0	112.2	52.9	59.3	By the end of 2030
• Infrastructure	5.8	25.0	9.9	15.1	By the end of 2030
Establishment of knowledge graph construction centers	21.4	92.4	25.6	66.8	By the end of 2030
• Employee recruitment	19.0	82.0	23.4	58.6	By the end of 2030
• Infrastructure	2.4	10.4	2.2	8.2	By the end of 2030
Working capital and general corporate purposes	10.0	43.2	4.1	39.1	By the end of 2030
Total	100	431.1	172.1	259	/

The Group will continue to utilise the remaining net proceeds progressively in accordance with the intended usage as set out in the Prospectus. The expected timeline for utilising the net proceeds from the Global Offering is based on the best estimates of future market conditions made by the Company and is subject to changes in accordance with our actual business operations.

Interim Dividend

The Board resolved not to recommend the payment of interim dividend for the six months ended 30 June 2026.

Pre-IPO Employee Incentive Scheme

The Employee Incentive Scheme (the "**Employee Incentive Scheme**") was adopted by the Company in February 2016 and amended by a resolution of the Shareholders on 30 July 2021 and 1 March 2024, respectively. The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules, as the Employee Incentive Scheme does not involve the grant of new Shares or options over new Shares by the Company to subscribe for H Shares after the Listing.

No shares under the employee incentive platform have been reserved for granting awards to future grantees pursuant to the Employee Incentive Scheme. No Awards will be granted by the Company after Listing under the Employee Incentive Scheme. The vesting of the incentive shares granted under the Employee Incentive Scheme was fully completed on the Listing Date.

Changes in the Information of Directors, Supervisors and Chief Executive

On 26 May 2026, the Board adjusted the composition of the Nomination Committee. Ms. GE Xin was appointed as a member of the Nomination Committee, and Mr. WANG Hui ceased to be a member of the Nomination Committee with effect from the same date.

Prof. Ma Xufei acts as the head of the Department of Management in the Faculty of Business Administration, the Chinese University of Hong Kong, and will no longer hold the position of Associate Dean of the Faculty of Business Administration, the Chinese University of Hong Kong.

Save as disclosed above, the Company is not aware of any changes in the information of Directors, Supervisors and Chief Executive which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules for the six months ended 30 June 2026 and up to the date of this report.

Interests and short positions of Directors, Supervisors and Chief Executives in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations

As at 30 June 2026, the following directors, supervisors, and the chief executives of the Company held, or were deemed or regarded as holding, long or short positions in the shares, underlying shares, and debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance) that (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance; or (b) are required, pursuant to section 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein; or (c) are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange (for this purpose, the relevant provisions of the Securities and Futures Ordinance are to be construed as if they applied to supervisors) as follows:

Name of Director, Supervisor or Chief Executive	Position	Nature of Interest[1]	Number of Shares Held and Description	Approximate Percentage of Shareholding in H Shares/Domestic Shares as at 30 June 2026[7] (%)	Approximate Percentage of Shareholding in the Total Registered Share Capital of the Company as at 30 June 2026[7] (%)
Mr. Wang	Chairman of the Board and Executive Director	Beneficial owner	14,353,020 H Shares	23.17%	21.53%
		Interest of spouse[2]	8,713,800 H Shares	14.07%	13.07%
Ms. Ge	Non-executive Director	Beneficial owner	8,713,800 H Shares	14.07%	13.07%
		Interest of spouse[2]	14,353,020 H Shares	23.17%	21.53%
Mr. Xi Puzhao	Executive Director and General Manager	Beneficial owner	1,281,060 H Shares	2.07%	1.92%
Ms. Wang Xin	Executive Director and Deputy General Manager	Beneficial owner	709,920 H Shares	1.15%	1.06%
		Interest of spouse[3]	709,920 H Shares	1.15%	1.06%
		Interest in controlled corporation[4]	282,420 H Shares	0.46%	0.42%
Mr. Li Quansheng	Supervisor	Interest in controlled corporation[5]	2,042,580 H Shares	3.30%	3.06%
Mr. Han Yuze	Supervisor	Interest in controlled corporation[6]	1,317,120 H Shares	2.13%	1.98%

Notes:

(1) All interests are long position.

(2) Mr. Wang and Ms. Ge are spouses. Therefore, pursuant to Part XV of the Securities and Futures Ordinance, Mr. Wang and Ms. Ge are deemed to have interests in the shares of the Company held by each other.

(3) Ms. Wang Xin and Mr. Zhang Bocheng are spouses. Mr. Zhang Bocheng holds 709,920 H-Shares of the Company. Pursuant to Part XV of the Securities and Futures Ordinance, Ms. Wang Xin is deemed to have an interest in the shares held by Mr. Zhang Bocheng.

(4) Peixian Yingcui is controlled by Ms. Wang Xin as the general partner, and holds 282,420 H Shares of the Company. Therefore, pursuant to Part XV of the Securities and Futures Ordinance, Ms. Wang Xin is deemed to have an interest in the shares held by Peixian Yingcui.

(5) Datai Yueda and Yueda Taihe are both managed and controlled by a corporate fund manager, which is directly and indirectly owned 85% by a company controlled by Mr. Li Quansheng. Therefore, for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Li Quansheng is deemed to have an interest in the shares held by both Datai Yueda and Yueda Taihe.

(6) Xinjiang Lianchuang and Shanghai Yongcang are both managed and controlled by corporate fund managers ultimately controlled by Mr. Han Yuze. Therefore, for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Han Yuze is deemed to have an interest in the shares held by both Xinjiang Lianchuang and Shanghai Yongcang.

(7) The percentage is calculated on the basis of 61,952,800 H Shares and 4,713,900 Domestic Shares, a total of 66,666,700 Shares of the Company issued as at 30 June 2026.

Except as disclosed above, as at 30 June 2026, no director, supervisor, or chief executive of the Company held, or was deemed or regarded as holding, long or short positions in the shares, underlying shares, and debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance) that (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance; or (b) are required, pursuant to section 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein; or (c) are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange (for this purpose, the relevant provisions of the Securities and Futures Ordinance are to be construed as if they applied to supervisors).

Interests and Short Positions of Significant Shareholders and Other Persons in Shares and Underlying Shares of the Company

As at 30 June 2026, to the best knowledge of the directors, the following persons held interests or short positions in the shares or underlying shares that are required to be disclosed to the Company and the Stock Exchange or registered in the register maintained by the Company pursuant to section 336 of the Securities and Futures Ordinance under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance:

Shareholders Name	Nature of Interest	Share Class	Number of Shares Held[1]	Approximate Percentage of Shareholding in H Shares/ Domestic Shares as at 30 June 2026[5] (%)	Approximate Percentage of Shareholding in the Total Registered Share Capital of the Company as at 30 June 2026[5] (%)
Mr. Wang	Beneficial owner	H-shares	14,353,020	23.17%	21.53%
	Interest of spouse[2]	H-shares	8,713,800	14.07%	13.07%
Ms. Ge	Beneficial owner	H-shares	8,713,800	14.07%	13.07%
	Interest of spouse[2]	H-shares	14,353,020	23.17%	21.53%
WANG Yunning	Beneficial owner	Domestic Shares	4,713,900	100.00%	7.07%
		H-shares	1,286,100	2.08%	1.93%
Jinzhuo Hengbang Technology (Beijing) Co., Ltd. (金卓恒邦科技(北京)有限公司) ("**Jinzhuo Hengbang**")	Beneficial owner[3]	H-shares	10,735,800	17.33%	16.10%
Sina Technology (China) Co., Ltd.	Interest in controlled corporation[3]	H-shares	10,735,800	17.33%	16.10%
Sina Hong Kong Limited	Interest in controlled corporation[3]	H-shares	10,735,800	17.33%	16.10%
Sina Corporation	Interest in controlled corporation[3]	H-shares	10,735,800	17.33%	16.10%
Charles Guowei CHAO	Interest in controlled corporation[3]	H-shares	10,735,800	17.33%	16.10%
Dazi County Bairuixiang Venture Capital Management Co., Ltd. (達孜縣百瑞翔創業投資管理有限責任公司) ("**Bairuixiang VC**")	Beneficial owner[4]	H-shares	6,038,520	9.75%	9.06%
Beijing Baidu Netcom Science Technology Co., Ltd. (北京百度網訊科技有限公司) ("**Baidu Netcom**")	Interest in controlled corporation[4]	H-shares	6,038,520	9.75%	9.06%
Baidu, Inc.	Interest in controlled corporation[4]	H-shares	6,038,520	9.75%	9.06%

Notes:

(1) All interests are long positions.

(2) Mr. Wang and Ms. Ge are spouses. Therefore, pursuant to Part XV of the Securities and Futures Ordinance, Mr. Wang and Ms. Ge are deemed to have interests in the shares of the Company held by each other.

(3) Jinzhuo Hengbang was controlled by Sina Technology (China) Co., Ltd., which is wholly-owned by Sina Hong Kong Limited, which in turn is wholly owned by Sina Corporation, and Sina Corporation is in turn ultimately owned as to 61.20% by Charles Guowei CHAO. Therefore, Sina Technology (China) Co., Ltd., Sina Hong Kong Limited, Sina Corporation and Charles Guowei CHAO are all deemed to have interests in the Shares of the Company held by Jinzhuo Hengbang.

(4) Bairuixiang VC is wholly owned by Baidu Netcom (a consolidated affiliated entity of Baidu, Inc.). Therefore, Baidu Netcom and Baidu, Inc. are all deemed to have interests in the Shares of the Company held by Bairuixiang VC.

(5) The percentage is calculated on the basis of 61,952,800 H Shares and 4,713,900 Domestic Shares, a total of 66,666,700 Shares of the Company issued as at 30 June 2026.

Pursuant to section 336 of the Securities and Futures Ordinance, a shareholder is required to submit a disclosure of interest form if certain conditions are met. If a shareholder's shareholding in the Company changes, the shareholder is not required to notify the Company and the Stock Exchange unless certain conditions are met. Therefore, a shareholder's latest shareholding in the Company may differ from the shareholding submitted to the Stock Exchange.

Except as disclosed above, as at 30 June 2026, to the best knowledge of the directors, no person (other than directors, supervisors, or the chief executive of the Company) held interests or short positions in the shares or underlying shares that are required to be disclosed to the Company and the Stock Exchange or registered in the register maintained by the Company pursuant to section 336 of the Securities and Futures Ordinance under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance.

Events after the Reporting Period

Proposed implementation of H Share full circulation by the Company

On 27 August 2026, the Board considered and approved the proposed implementation of the conversion of 4,713,900 domestic shares of the Company held by certain Shareholders of the Company into H Shares of the Company (the "**H Share Full Circulation**"). As at the date of this report, the Company has submitted the filing application documents in respect of the H Share Full Circulation to the CSRC, and will make further announcement(s) on the progress of the H Share Full Circulation and the conversion and listing in accordance with the requirements of the Listing Rules. For details, please refer to the announcement of the Company dated 27 August 2026. The H Share Full Circulation is still subject to the filing procedures with the CSRC and the approval procedures of the Stock Exchange and is therefore exposed to uncertainties regarding scheduling and implementation progress.

Save as disclosed in this report, the Group had no other material events subsequent to the Reporting Period and up to the date of this report.

Condensed Consolidated Interim Statement of Comprehensive Loss

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000
Revenue	3	**327,942**	275,421
Cost of sales	4	**(162,579)**	(146,223)
Gross profit		**165,363**	129,198
Distribution and selling expenses	4	**(137,865)**	(114,953)
General and administrative expenses	4	**(28,575)**	(40,499)
Research and development expenses	4	**(102,486)**	(81,300)
Net impairment losses on financial assets		**(25,848)**	(20,751)
Other income		**1,352**	1,410
Other (losses)/gains – net	5	**(12,483)**	239
Operating loss		**(140,542)**	(126,656)
Finance income	6	**260**	150
Finance costs	6	**(3,615)**	(1,313)
Finance costs – net		**(3,355)**	(1,163)
Loss before income tax		**(143,897)**	(127,819)
Income tax credit	7	**27,483**	28,863
Loss for the period		**(116,414)**	(98,956)
Loss and total comprehensive loss, attributable to owners of the Company		**(116,414)**	(98,956)
Loss per share attributable to the owners of the Company (in RMB)			
Basic and diluted loss per share	8	**(1.75)**	(1.65)

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

Condensed Consolidated Interim Statement of Financial Position

AS AT 30 JUNE 2026

	Note	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	**11,635**	9,228
Right-of-use assets	10	**89,242**	18,266
Deferred income tax assets	11	**66,938**	39,455
Retention money receivables	12	**14,481**	11,411
		182,296	78,360
Current assets			
Inventories		**91,703**	49,472
Trade receivables and retention money receivables	12	**669,696**	523,326
Other current assets	13	**103,610**	83,914
Financial assets at fair value through profit or loss	14	**157,309**	203,313
Restricted cash	15	**5,897**	6,910
Cash and cash equivalents	15	**247,290**	407,831
		1,275,505	1,274,766
Total assets		**1,457,801**	1,353,126
EQUITY			
Share capital		**66,667**	66,667
Reserves		**622,442**	622,442
Retained earnings		**219,118**	335,532
Total equity		**908,227**	1,024,641

Condensed Consolidated Interim Statement of Financial Position

AS AT 30 JUNE 2026

	Note	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	10	69,233	5,752
Current liabilities			
Trade payables	17	5,869	11,294
Other payables and accruals		78,382	103,936
Borrowings	16	288,285	92,937
Lease liabilities	10	20,721	11,497
Contract liabilities	3	87,084	103,069
		480,341	322,733
Total liabilities		549,574	328,485
Total equity and liabilities		1,457,801	1,353,126
Net current asset		795,164	952,033

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

The notes on pages 30 to 54 form an integral part of this interim condensed consolidated financial statement.

Mr. Xi Puzhao
Director

Ms. Cao Rui
Chief Financial Officer

Condensed Consolidated Interim Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company			
	Share capital RMB'000	Reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at 1 January 2025	60,000	231,346	207,523	498,869
Comprehensive loss				
Loss for the period	–	–	(98,956)	(98,956)
Transactions with equity holders				
Share-based payment	–	1,092	–	1,092
Balance at 30 June 2025	60,000	232,438	108,567	401,005
Balance at 1 January 2026	**66,667**	**622,442**	**335,532**	**1,024,641**
Comprehensive loss				
Loss for the period	**–**	**–**	**(116,414)**	**(116,414)**
Balance at 30 June 2026 (Unaudited)	**66,667**	**622,442**	**219,118**	**908,227**

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

Condensed Consolidated Interim Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Cash flows from operating activities		
Cash used in operations	**(364,443)**	(256,042)
Interest received from cash at banks	**260**	150
Income tax paid	**–**	(2,122)
Net cash used in operating activities	**(364,183)**	(258,014)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(5,962)**	(1,655)
Purchase of financial assets at fair value through profit or loss	**(233,141)**	(150,000)
Proceeds from disposals of financial assets at fair value through profit or loss	**266,765**	198,449
Net cash generated from investing activities	**27,662**	46,794
Cash flows from financing activities		
Proceeds from borrowings	**258,673**	91,622
Repayments of borrowings	**(63,325)**	(45,005)
Principal payments of lease liabilities	**(7,810)**	(10,095)
Interests paid for lease liabilities	**(901)**	(472)
Interest paid for borrowings	**(1,774)**	(1,021)
Payment of listing expenses	**(9,823)**	(930)
Net cash generated from financing activities	**175,040**	34,099
Net decrease in cash and cash equivalents	**(161,481)**	(177,121)
Cash and cash equivalents at the beginning of the period	**407,831**	230,172
Effects of exchange rate changes on cash and cash equivalents	**940**	–
Cash and cash equivalents at the end of the period	**247,290**	53,051

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

Notes to the Condensed Consolidated Interim Financial Statements

1. General information

Shanghai Able Digital Science&Tech Co., Ltd. (the "**Company**") was incorporated in the People's Republic of China (the "**PRC**") on 7 April 2008 as a limited liability company under the Company Law of the PRC. The address of the Company's registered and business office is Room 901–904 Building 1, No. 1188 North Qinzhou Road, Xuhui District, Shanghai, PRC.

The Company and its subsidiaries (together, "**the Group**") are principally engaged in the provision of services and products relating to: (i) AI knowledge asset development; and (ii) AI agents and virtual-physical integrated scenarios in the PRC.

Mr. Wang Hui and his wife, Ms. Ge Xin, are the ultimate controlling shareholders of the Company as at the date of this report.

The Company has successfully been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 8 December 2025.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on 27 August 2026.

2. Basis of preparation

This interim condensed consolidated financial report for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim Reporting Period, except for the adoption of new and amended standards as set out below.

(i) New and amended standards adopted by the group

The Group has applied the following standards, amendments and interpretation for the first time for its the financial year commencing 1 January 2026:

Standards and amendments	Effective for accounting periods beginning on or after
IFRS 9 (Amendment) and IFRS 7 (Amendment) 'Amendments to the classification and measurement of financial instruments'	1 January 2026
IFRS 9 (Amendment) and IFRS 7 (Amendment) 'Contracts referencing nature-dependent electricity'	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026

2. Basis of preparation (continued)

(ii) New and amended standards not yet adopted by the Group

The followings are new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2026 Reporting Period and have not been early adopted by the Group. These standards, amendments or interpretations, except for IFRS 18 which will impact the presentation of statement of profit and loss, are not expected to have a material impact on the Group in the current or future Reporting Periods and on foreseeable future transactions.

Standards and amendments	Effective for annual periods beginning on or after
IFRS 18 'Presentation and disclosure in financial statements'	1 January 2027
IFRS 19 'Subsidiaries without public accountability: disclosures'	1 January 2027
IAS 21 (Amendments) 'Translation to a hyperinflationary presentation currency'	1 January 2027
IFRS 19 (Amendments) 'Amendments to subsidiaries without public accountability: Disclosures'	1 January 2027
IAS 28 (Amendments) 'Fair value option for investments in associates and joint ventures'	1 January 2027
IFRS 20 'Regulatory assets and regulatory liabilities'	1 January 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

IFRS 18 Presentation and Disclosure in Financial Statements

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 impact on condensed consolidated interim statement of comprehensive loss is set out below

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 loss is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating loss:

2. Basis of preparation (continued)

(ii) New and amended standards not yet adopted by the Group (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

The impact on condensed consolidated interim statement of comprehensive loss is set out below (continued)

(i) Foreign exchange differences

Foreign exchange differences currently aggregated in the line item "other (losses)/gains – 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 currently aggregated in the line item "other gains/(losses) – net" in operating loss and will be presented below operating loss.

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 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. Revenue and segment information

(a) Description of segments and principal activities

Since its inception, the Group has been principally engaged in the provision of the following products and services: (i) digital educational content services and products, and (ii) digital teaching and learning environment services and products in the PRC. The executive directors of the Company review the operating results of the business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one business segment which is used to make strategic decisions.

3. Revenue and segment information (continued)

(a) Description of segments and principal activities (continued)

Effective this Reporting Period, the Group has renamed these business activities to better reflect its strategy and operations. "Digital educational content services and products" is now "AI Knowledge Asset Development", covering knowledge graph, digital resources, and physical AI virtual simulation experiments. "Digital teaching and learning environment services and products" is now "AI Agents and Virtual-Physical Integrated Scenarios", covering polymas agent and immersive space.

This is a name-only change: operating activities of the business as one operating segment remain unchanged. All historical disclosures, including 2025 comparative data, have been updated to reflect the business name change.

Geographical information

The Group's principal market, majority of revenue, operating profit and non-current assets are derived from/located in the PRC. Accordingly, no geographical segment information is presented.

(b) Revenue during the Reporting Period

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
AI Knowledge Asset Development	**294,145**	251,339
AI Agents and Virtual-Physical Integrated Scenarios	**33,785**	24,026
Others	**12**	56
	327,942	275,421

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
At a point in time	**310,455**	259,722
Over time	**17,487**	15,699
	327,942	275,421

3. Revenue and segment information (continued)

(c) Contract liabilities

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

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Contract liabilities		
Current contract liabilities	**87,084**	103,069

The following table shows how much of the Group's revenue recognized during the Reporting Periods relates to carried-forward contract liabilities.

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000
Revenue recognized that was included in the contract liabilities balance at the beginning of the period	**64,750**	66,349

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

(d) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations of the Group as at 30 June 2026 and 31 December 2025:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Aggregate amount of unsatisfied performance obligations	**505,379**	392,417

Management expects that 87.1% (31 December 2025: 85.3%) of the transaction price allocated to the unsatisfied contracts as at 30 June 2026 will be recognized as revenue within one year. The remaining 12.9% (31 December 2025: 14.7%) will be recognized over one year.

4. Expenses by nature

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Changes in inventories of work in progress	**(8,178)**	(10,688)
Purchased goods used	**3,396**	4,282
Employee benefit expenses	**334,362**	284,995
Digital content editing fees	**23,347**	11,035
Travel expenses	**20,578**	15,966
Depreciation of right-of-use assets (Notes 10)	**11,341**	9,447
Short-term leases (Note 10(b))	**821**	2,077
Marketing expenses	**11,055**	11,502
Legal, consulting and other service fees	**4,443**	3,428
Depreciation of property, plant and equipment (Note 9)	**3,555**	4,956
Listing expenses	**–**	12,438
Others	**26,785**	33,537
	431,505	382,975

5. Other (losses)/gains – net

Other losses – net for the six months ended 30 June 2026 mainly represented the net fair value losses on financial assets through profit or loss of RMB12,380,000 (for the six months ended 30 June 2025: gains of RMB421,000).

6. Finance costs

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Finance income		
Interest income from cash at banks	**260**	150
Finance costs		
Interest expenses on lease liabilities (Note 10)	**(901)**	(472)
Foreign exchange loss	**(940)**	–
Interest expenses on borrowings	**(1,774)**	(841)
	(3,615)	(1,313)
Finance costs – net	**(3,355)**	(1,163)

7. Income tax credit

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Current income tax expense	**–**	(2,121)
Deferred income tax credit (Note 11)	**27,483**	30,984
	27,483	28,863

Income tax on taxable profits has been calculated at the rates of tax prevailing in the jurisdictions in which relevant entities operate.

PRC corporate income tax ("PRC CIT")

Pursuant to the PRC tax laws and regulations, the Company and its subsidiaries in the PRC are subject to PRC corporate income tax at the applicable tax rate of 25% on their taxable profits for the six months ended 30 June 2026, except as disclosed below.

The Company was qualified as a High and New Technology Enterprise ("**HNTE**") in 2019 and was therefore entitled to a preferential corporate income tax rate of 15% for three years commencing 2019. The Company renewed its HNTE status in every three years intervals, in 2022 and 2025, and therefore continues to be entitled to the preferential corporate income tax rate of 15% in 2025 for a three year term. In addition, three subsidiaries of the Group were recognized as HNTEs in 2023, 2024 and 2025 respectively for a three-year term.

In accordance with the policies promulgated by the State Taxation Administration of the PRC, enterprises engaged in research and development activities may claim an additional tax deduction of 75% of the eligible research and development expenses ("**super deduction**") in determining their taxable profits for the year commencing 2018. With effect from 1 October 2022, the additional deduction ratio had been increased to 100%.

As at 30 June 2026, certain subsidiaries of the Group continued to qualify as Small and Micro-Profit Enterprises and were therefore eligible for a reduced corporate income tax rate of 5% through 31 December 2027.

8. Loss per share

Basic loss per share for the six months ended 30 June 2026 and 2025 is calculated by dividing the loss attributable to the Company's shareholders by the weighted average number of ordinary shares in issue during the period.

The Company did not have any potential ordinary shares outstanding during the Reporting Period. Diluted loss per share is equal to basic loss per share.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	
Loss attributable to owners of the Company (RMB'000)	**(116,414)**	(98,956)
Weighted average number of ordinary shares in issue	**66,666,700**	60,000,000
Basic and diluted loss per share (expressed in RMB per share)	**(1.75)**	(1.65)

Notes to the Condensed Consolidated Interim Financial Statements

9. Property, plant and equipment

	Machinery and vehicles RMB'000	Furniture, fittings and equipment RMB'000	Assets under construction RMB'000	Total RMB'000
As at 31 December 2025				
Cost	999	91,492	817	93,308
Accumulated depreciation	(611)	(83,469)	–	(84,080)
Net book amount	388	8,023	817	9,228
Six months ended 30 June 2026 (Unaudited)				
Opening net book amount	**388**	**8,023**	**817**	**9,228**
Additions	**–**	**1,764**	**4,198**	**5,962**
Transfers	**–**	**1,427**	**(1,427)**	**–**
Depreciation charge (Note 4)	**(139)**	**(3,416)**	**–**	**(3,555)**
Closing net book amount	**249**	**7,798**	**3,588**	**11,635**
As at 30 June 2026 (Unaudited)				
Cost	**999**	**94,683**	**3,588**	**99,270**
Accumulated depreciation	**(750)**	**(86,885)**	**–**	**(87,635)**
Net book amount	**249**	**7,798**	**3,588**	**11,635**

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000
Cost of sales	**1,476**	1,646
Distribution and selling expenses	**1,578**	2,498
General and administrative expenses	**111**	333
Research and development expenses	**390**	479
	3,555	4,956

10. Leases

(a) Amounts recognized in the consolidated statements of financial position of the Group

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Right-of-use assets		
Buildings and warehouses	89,242	18,266
Lease liabilities		
Current lease liabilities	(20,721)	(11,497)
Non-current lease liabilities	(69,233)	(5,752)
	(89,954)	(17,249)

Additions to the right-of-use assets during the six months ended 30 June 2026 was approximately RMB82,373,000 (six months ended 30 June 2025: RMB2,643,000).

Notes to the Condensed Consolidated Interim Financial Statements

10. Leases (continued)

(b) Amounts recognized in the consolidated statements of comprehensive loss

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Depreciation charge of right-of-use assets (Notes 4)		
– Cost of sales	**4,233**	2,016
– Distribution and selling expenses	**4,290**	2,666
– General and administrative expenses	**2,818**	4,765
	11,341	9,447
Interest expense (Note 6)	**901**	472
Expense relating to short-term leases (included in cost of sales, distribution and selling expenses, general and administrative expenses, research and development expenses) (Note 4)	**821**	2,077
	13,063	11,996

The total cash outflows for leases payments for the six months ended 30 June 2026 was approximately RMB10,569,000 (six months ended 30 June 2025: RMB12,644,000).

11. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to the same tax authority.

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Total deferred income tax assets (a)	**80,324**	42,195
Net-off with deferred income tax liabilities (b)	**(13,386)**	(2,740)
Net deferred income tax assets	**66,938**	39,455

The movement in net deferred income tax is as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000
Net deferred income tax assets:		
As at 1 January	**39,455**	29,185
Credited to income tax expense (Note 7)	**27,483**	30,984
As at 30 June	**66,938**	60,169

11. Deferred income tax (continued)

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

(a) Deferred income tax assets

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
The balance comprises temporary differences attributable to:		
Deductible tax losses	56,524	33,178
Lease liabilities	13,493	2,587
Loss allowance for financial assets	10,307	6,430
Total deferred income tax assets	80,324	42,195

The movement in deferred income tax assets during the Reporting Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Movement	Deductible tax losses RMB'000	Lease liabilities RMB'000	Loss allowance for financial assets RMB'000	Total RMB'000
As at 31 December 2025	33,178	2,587	6,430	42,195
Credited to profit or loss	23,346	10,906	3,877	38,129
As at 30 June 2026	56,524	13,493	10,307	80,324

There were no deductible losses that are not recognized for deferred income tax assets as at 30 June 2026 and 31 December 2025.

11. Deferred income tax (continued)

(b) Deferred income tax liabilities

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
The balance comprises temporary differences attributable to:		
Right-of-use assets	(13,386)	(2,740)
Net-off with deferred income tax assets	13,386	2,740
Net deferred income tax liabilities	–	–

The movement in deferred income tax liabilities during the Reporting Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Movement	**Right-of-use assets** RMB'000
As at 31 December 2025	(2,740)
Debited to profit or loss	(10,646)
As at 30 June 2026	(13,386)

12. Trade receivables and retention money receivables

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Trade receivables	738,511	566,008
Retention money receivables	14,754	12,007
	753,265	578,015
Less: provision for impairment	(69,088)	(43,278)
	684,177	534,737

As at 30 June 2026 and 31 December 2025, the aging analysis of the trade receivables and retention money receivables based on date of revenue recognition is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Within 6 months	259,735	335,647
6 months – 1 year	270,094	70,740
1–2 years	142,799	108,175
2–3 years	43,065	37,581
Above 3 years	37,572	25,872
Total	753,265	578,015

12. Trade receivables and retention money receivables (continued)

Trade receivables and retention money receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 1 year and therefore classified as current except for non-current retention money which is due for settlement after one year. Trade receivables and retention money receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables and retention money receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. The Group applies the simplified approach under IFRS 9, which requires lifetime expected losses to be recognized from initial recognition of the assets. As of 30 June 2026 and 31 December 2025, the Group's trade receivables and retention money receivables are denominated in RMB and their carrying amounts approximated their fair values as at the balance sheet dates.

13. Other current assets

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Other receivables		
– Deposits	**67,088**	57,728
– Advance to staff	**12,229**	11,844
– Others	**4,565**	7,746
	83,882	77,318
Less: allowance for credit losses	**(333)**	(296)
	83,549	77,022
Prepayments		
– Prepaid expenses	**10,107**	4,917
Input VAT to be deducted	**9,954**	1,975
Total other current assets	**103,610**	83,914

As at 30 June 2026 and 31 December 2025, the Group's other receivables and prepayments were mainly denominated in RMB and their carrying amounts approximated their fair values as at the balance sheet dates.

Input VAT to be deducted are mainly input VAT arisen from the acquisition of property, plant and equipment, and materials.

Notes to the Condensed Consolidated Interim Financial Statements

14. Financial assets at fair value through profit or loss

Classification of financial assets at FVPL

The Group's financial assets measured at FVPL include the following:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Investments in wealth management products	**157,309**	203,313

The principal and return of the Group's wealth management products are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, the wealth management products issued by banks and financial institutions are measured at FVPL.

15. Cash and cash equivalents and restricted cash

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Restricted cash	**5,897**	6,910
Cash at banks and in hand	**247,290**	407,831
	253,187	414,741

As at 30 June 2026 and 31 December 2025, the Group's restricted cash was mainly deposits at bank held for issue of letters of guarantee.

15. Cash and cash equivalents and restricted cash (continued)

(a) Cash and cash equivalents are denominated in the following currencies:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
RMB	40,771	227,663
HKD	195,424	187,078
USD	16,992	–
	253,187	414,741

16. Borrowings

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Current		
– Short-term bank borrowings, unsecured	288,285	92,937

For the six months ended 30 June 2026 and the year ended 31 December 2025, the Group's bank borrowings were denominated in RMB with a weighted average effective interest rates of 2.14% and 2.52% per annum. As at 30 June 2026 and 31 December 2025, the Group's borrowings were short-term, unsecured bank borrowings obtained mainly to fund our working capital.

17. Trade payables

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Trade payables		
– payables for purchase of inventories and services	5,869	11,294

The carrying amounts of trade payables of the Group were denominated in RMB and approximated their fair values due to their short-term maturity in nature.

The aging analysis of the trade payables based on purchase date at the end of each Reporting Period is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Within 1 year	2,749	10,090
Over 1 year	3,120	1,204
	5,869	11,294

18. Related party transactions

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

Members of key management of the Group and their close family members are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and transactions with related parties

The Group has no transactions or balances with the companies that are related parties of the Group during the six months ended 30 June 2026 and the six months ended 30 June 2025.

(b) Key management compensation

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Wages, salaries and bonuses	**2,469**	2,459
Pension obligations, housing funds, medical insurances and other social insurances	**366**	357
Share-based payment expenses	**–**	519
	2,835	3,335

The wages and welfare disclosed above include RMB562,000 (six months ended 30 June 2025: RMB692,000) to the key management personnel which were unpaid as at 30 June 2026 and are included in other payables. The share-based payment provided to key management personnel are restricted shares.

19. Fair value measurement of financial instruments

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the statement of financial position. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the Reporting Period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

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

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table presents the Group's assets that are measured at fair value as at 30 June 2026 and 31 December 2025:

	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
As at 30 June 2026				
Assets				
Financial assets at FVPL (Note 14)	**–**	**–**	**157,309**	**157,309**
As at 31 December 2025				
Assets				
Financial assets at FVPL (Note 14)	–	–	203,313	203,313

19. Fair value measurement of financial instruments (continued)

(b) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Discounted cash flow analysis, has been used to determine fair value for the remaining financial instruments.

There were no changes in valuation techniques during the Reporting Period.

The fair value of trade receivables and retention money receivables, other receivables, restricted cash and cash and cash equivalents approximated their carrying amounts.

The fair value of trade payables, other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables), borrowings and lease liabilities approximated their carrying amounts.

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

The following table presents the changes in level 3 items for the years ended 31 December 2025 and 30 June 2026:

	Financial assets at FVPL RMB'000
As at 1 January 2026	203,313
Acquisitions	233,141
Disposals	(266,765)
Fair value changes	(12,380)
As at 30 June 2026	157,309

(d) There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the Reporting Period.

19. Fair value measurement of financial instruments (continued)

(e) Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

As at 30 June 2026

Description	Fair value RMB'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Wealth management products	157,309	Expected rate of return	3.50%–3.95%	The higher the expected rate of return, the higher the fair value

20. Dividends

The board of directors did not recommend the payment of interim dividend for the six months ended 30 June 2026 (the six months ended 30 June 2025: nil).

Definitions and Glossary

In this Interim Report, unless the context otherwise requires, the following expressions have the following meanings:

"AI" or "Artificial Intelligence"	artificial intelligence
"Articles of Association"	the articles of association of the Company (as amended, supplemented or otherwise modified from time to time)
"Audit Committee"	the Audit Committee of the Board
"Board"	the Board of Directors of the Company
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"PRC"	The People's Republic of China which, for the purpose of this interim report, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"The Company" or "Able Digital"	Shanghai Able Digital Science&Tech Co., Ltd. (上海卓越睿新數碼科技股份有限公司), a joint stock company incorporated in the People's Republic of China with limited liability, whose H shares are listed on the Main Board of the Stock Exchange (Stock Code: 2687)
"Directors"	the directors of the Company
"Domestic Shares" or "Domestic Unlisted Shares"	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are not listed or traded on any stock exchange
"Global Offering"	the Hong Kong Public Offering and the International Offering of the Company's H Shares
"Group"	our Company and its subsidiaries
"H Share(s)"	the foreign listed share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, listed on the Stock Exchange and traded in Hong Kong dollars
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

Definitions and Glossary

"The Interim Report" or "this report"	the interim report of the Company for the six months ended 30 June 2026
"Listing Date"	8 December 2025, being the date on which the Company's H shares were listed 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 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
"Net Proceeds"	The net proceeds received by the Company from the Global Offering (after deducting underwriting fees and relevant expenses)
"Prospectus"	the Company's Prospectus dated 28 November 2025
"Reporting Period"	The period from 1 January 2026 to 30 June 2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Securities and Futures Ordinance"	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)"	Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	supervisor(s) of our Company
"Treasury Share(s)"	has the meaning ascribed thereto in the Listing Rules