SHENZHEN SDMC TECHNOLOGY CO., LTD.
深圳市華曦達科技股份有限公司

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

Stock Code: 00901

INTERIM REPORT
2026

CONTENTS

CORPORATE INFORMATION

Registered Office	1st Floor, Building 5 Hengtongfa Industrial Zone Tangtou Industrial Park, Tangtou Community Shiyan Street, Bao'an District, Shenzhen Guangdong Province, China
Headquarters	18/F, 19/F, 22/F and 23/F Changhong Science and Technology Building No. 18, Keji South 12th Road High Tech Zone Community Yuehai Street Nanshan District, Shenzhen Guangdong Province, China
Principal Place of Business in Hong Kong	Room 1920, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	www.sdmctech.com
Stock Code	00901

BOARD OF DIRECTORS

Executive directors	Mr. Li Bo *(Chairman)* Mr. Yan Zhikang Mr. Li Jun Ms. Dang Hui
Independent non-executive directors	Ms. Luk Pui Yin Grace Mr. Yin Renyong Dr. Zheng Qian
Joint Company Secretaries	Ms. Dang Hui *(appointed on August 20, 2026)* Ms. Li Jianyi *(resigned on August 20, 2026)* Ms. Pau So Yi *(ACG, HKACG)*
Authorized Representatives	Mr. Li Bo Ms. Dang Hui *(appointed on August 20, 2026)* Ms. Li Jianyi *(resigned on August 20, 2026)*
Audit Committee	Ms. Luk Pui Yin Grace *(Chairlady)* Mr. Yin Renyong Dr. Zheng Qian

Remuneration and Appraisal Committee	Mr. Yin Renyong *(Chairman)* Mr. Li Bo Ms. Luk Pui Yin Grace
Nomination Committee	Mr. Li Bo *(Chairman)* Mr. Yin Renyong Ms. Luk Pui Yin Grace
Hong Kong Legal Adviser	Han Kun Law Offices LLP Rooms 4301–10 43/F., Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong
Auditor	Ernst & Young Certified Public Accountants Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance 27/F, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong
H Share Registrar	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Compliance Adviser	Jun Hui International Finance Limited Unit 01–02, 16/F Hing Yip Commercial Centre 272–284 Des Voeux Road Central Sheung Wan, Hong Kong

DEFINITIONS

"Audit Committee"	the audit committee of the Board
"Authorized Representative"	authorized representative of the Company pursuant to Rule 3.05 of the Listing Rules
"Board" or "Board of Directors"	the board of Directors of the Company
"Company"	Shenzhen SDMC Technology Co., Ltd. (深圳市華曦達科技股份有限公司), a joint stock company with limited liability incorporated in the PRC on October 22, 2003, formerly known as Shenzhen Zhixin Micro-electronics Co., Ltd. (深圳市致芯微電子股份有限公司), which was converted from Shenzhen Zhixin Micro-electronics Ltd. (深圳市致芯微電子有限公司) into a joint stock company with limited liability on January 13, 2009
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Global Offering"	has the meaning ascribed thereto in the prospectus of the Company dated May 18, 2026
"Group", "we" or "us"	the Company and its subsidiaries
"H Shares"	overseas listed foreign share(s) in the Company's ordinary share capital with a nominal value of RMB1.00 each, which is/are listed on the Main Board of the Stock Exchange and subscribed for and traded in Hong Kong dollars
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Huazhi Changlian"	Shenzhen Huazhi Changlian Internet Technology Partnership (Limited Partnership) (深圳市華智暢聯互聯網技術合夥企業(有限合夥)), a limited partnership established in the PRC on July 1, 2022, one of the Company's employee shareholding platform
"Joint Company Secretary"	joint company secretary of the Company
"Kaida Yunzhi"	Shenzhen Kaida Yunzhi Investment Partnership (Limited Partnership) (深圳市凱達雲智投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 1, 2022, one of the Company's employee shareholding platform
"Listing Date" or "Listing"	May 27, 2026, being the date on which the H Shares were listed on the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Model Code"	The Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"PRC" or "China"	the People's Republic of China, but for the purposes of this report only (unless otherwise indicated) excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan China
"Prospectus"	the prospectus of the Company dated May 18, 2026
"Qihang No.1"	Shenzhen Qihang No.1 Investment Partnership (Limited Partnership) (深圳市啟航一號投資合夥企業(有限合夥)), a limited partnership established in the PRC on February 27, 2025
"Qihang No.2"	Shenzhen Qihang No.2 Investment Partnership (Limited Partnership) (深圳市啟航二號投資合夥企業(有限合夥)), a limited partnership established in the PRC on February 27, 2025
"Reporting Period"	the six months ended June 30, 2026
"RMB"	Renminbi, the lawful currency of China
"Shareholder(s)"	the holder(s) of the Share(s)
"Shares"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"treasury share(s)"	has the meaning ascribed to it under the Listing Rules
"Unlisted Share(s)"	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
"Zhixin Weilai"	Shenzhen Zhixin Weilai Investment Partnership (Limited Partnership) (深圳市智信未來投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 20, 2021, one of the Company's employee shareholding platform
"%"	per cent

Certain amounts and percentage figures included in this report have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

FINANCIAL SUMMARY

	For six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**2,095,437**	1,536,830
Gross profit	**443,158**	271,247
Gross profit margin	**21.1%**	17.6%
Profit before taxation	**200,857**	108,670
Profit for the period	**181,416**	103,134

	June 30, 2026	December 31, 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Assets		
Non-current assets	**136,543**	118,015
Current assets	**4,521,013**	2,455,411
Total assets	**4,657,556**	2,573,426
Equity and liabilities		
Total equity	**1,975,735**	1,267,240
Non-current liabilities	**5,940**	9,393
Current liabilities	**2,675,881**	1,296,793
Total liabilities	**2,681,821**	1,306,186
Total equity and liabilities	**4,657,556**	2,573,426

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OVERVIEW

About the Company

We are a smart home product provider for enterprise customers, committed to enhancing home application experiences through intelligent technology. Our solutions enable users to implement cloud technology, Internet of Things, and AI technology in home scenarios. By utilizing our digital video devices (such as smart home devices including streaming media terminals, smart projectors, and cameras), network communication equipment (such as optical network terminals, Wi-Fi routers, and cable modems), and system platforms (such as Cedar, XHome, and XMediaTV), users can achieve whole-home network coverage, device interconnection, and autonomous interaction, easily managing their smart home environment. As of June 30, 2026, we provided integrated software and hardware solutions to over 300 operators and retail brand owners in more than 80 countries and regions worldwide.

As one of the first companies in China to receive Google Android TV certification and the world's first ODM enterprise to receive Google TV certification for projection products, we maintain industry-leading technical strength and customer base.

Operation information

During the Reporting Period, we recorded a revenue of RMB2,095.4 million, representing an increase of approximately 36.3% compared to the same period of last year, the revenue was primarily driven by sale of digital video devices. For the six months ended June 30, 2026, total revenue from sale of digital video devices was RMB1,734.0 million, representing a year-over-year increase of approximately 40.5%. The following table sets forth the breakdown of the Group's revenue generated from different business segments and its percentage of total revenue for the periods as indicated:

	For the six months ended June 30,			
	2026		2025	
	RMB'000	**approximate % of revenue**	RMB'000	approximate % of revenue
	(Unaudited)		(Unaudited)	
Sale of hardware products				
Digital video devices[Note]	**1,734,028**	**82.7%**	1,233,974	80.3%
Network communication devices	**143,598**	**6.9%**	232,738	15.1%
Subtotal	**1,877,626**	**89.6%**	1,466,712	95.4%
Provision of software solutions				
System platforms services	**11,900**	**0.6%**	9,058	0.6%
Sales of parts and accessories	**205,911**	**9.8%**	61,060	4.0%
Total	**2,095,437**	**100%**	1,536,830	100%

Note:

Digital video devices include streaming media terminals, smart projectors and other smart home devices, with streaming media terminals being the primary source. Its revenue amounted to RMB1,603.0 million for the six months ended June 30, 2026, accounting for approximately 76.5% of the revenue (corresponding period of 2025: RMB1,127.8 million).

During the Reporting Period, we had revenue mainly from overseas markets, with a focus on Asia, Europe, and the Americas. Total overseas revenue for the six months ended June 30, 2026 was RMB1,947.2 million, accounting for approximately 92.9% of the Group's total revenue for the six months ended June 30, 2026. The Group places great emphasis on close interaction with customers and continues to promote localized operations, recognize customers' needs, and deepen cooperation with them. The following table sets forth a breakdown of the Group's revenue by geographic region based on the place of registration of the Group's end enterprise customers and its percentage of total revenue for the periods as indicated:

	For the six months ended June 30,			
	2026		2025	
	RMB'000	**approximate % of revenue**	RMB'000	approximate % of revenue
	(Unaudited)		(Unaudited)	
Europe[1]	**738,067**	**35.2%**	540,742	35.2%
Asia[2]	**806,288**	**38.5%**	271,393	17.7%
Americas[3]	**400,788**	**19.1%**	603,935	39.2%
Africa and Oceania	**2,100**	**0.1%**	11,881	0.8%
Overseas total	**1,947,243**	**92.9%**	1,427,951	92.9%
Chinese mainland	**148,194**	**7.1%**	108,879	7.1%
Total	**2,095,437**	**100%**	1,536,830	100%

Notes:

(1) Primarily includes Portugal, France, Poland, Sweden, Bulgaria and Spain.

(2) Primarily includes India, Vietnam, Hong Kong (China), Indonesia and Taiwan (China).

(3) Primarily includes United States of America, Brazil, Chile, Columbia and Mexico.

BUSINESS REVIEW

PRODUCTS AND TECHNOLOGY DEVELOPMENT

As a National-level Specialized, Refined, Differential and Innovative "Little Giant" Enterprise, the Group consistently believes that R&D is essential for consolidating its market position and achieving sustainable business growth. During the Reporting Period, the Group continued to increase its R&D investment. It focused on key areas such as the home AI agent Cedar, edge computing, smart terminals, and underlying storage synergy. It has promoted the deep penetration of home solutions from the cloud to the home edge, constructing a comprehensive technical architecture and a roadmap for commercialization. As of June 30, 2026, the Group has accumulated a portfolio of nearly 300 core technology patents and software copyrights.

1) Continuous iteration and upgrade of Cedar, the home AI agent

Evolution of cloud-edge integrated architecture: The Group has launched a cloud-edge integrated Cedar Agent deployment architecture. By deploying certain Large Language Model capabilities of the Cedar agent onto terminal devices such as smart TV boxes, it supports network self-operation and maintenance and local offline AI customer service functions, effectively enhancing the operational efficiency of operators and reducing manual intervention costs. During the Reporting Period, the R&D of Cedar was completed and is currently in the stage of customer testing and commercialization stage.

Upgrading underlying capabilities and models: The Group continues to refine capabilities such as visual perception, proactive service, identity recognition, and personalized memory. In June 2026, Cedar was further equipped with the Gemini 3.5 Large Model, achieving an overall enhancement in underlying capabilities such as reasoning, response, and memory.

2) Breakthroughs in edge AI terminals and scenario-based applications

AI OTT TV Box and Home Security Expansion: The Group has taken the lead in transforming AI OTT TV boxes equipped with edge computing power into the AI Home hub for operators, focusing on three directions: audio-visual experience, content understanding, and proactive perception, to continuously upgrade the capabilities of TV boxes. During the Reporting Period, the Group was committed to extending edge AI-enabled visual understanding capabilities across devices to home security scenarios, fully unleashing the reuse value of edge computing power.

Iteration and upgrade of fiber optic gateways: The Group has launched a Wi-Fi 8 fiber optic gateways, innovatively integrates edge AI computing power with Wi-Fi Sensing technology, which allows for real-time perception of human activity and spatial status, supporting diverse scenarios such as security, health monitoring, and smart automation.

3) Deep Synergy within Industrial Chain Laboratories

As at 30 June 2026, the AI memory R&D laboratory established by the Group and Shenzhen Longsys Electronics Co., Ltd. ("**Shenzhen Longsys**") has completed the full-process joint verification of embedded storage for AI Home hub devices such as AI OTT TV boxes. It has successfully established deep synergy and interoperability standards between edge AI devices and AI storage technology under AI Home scenarios, laying a solid hardware and ecological foundation for future commercial delivery.

OUTLOOK

Looking ahead, the Group remains firmly committed to its "1+2+X" strategy, capitalizing on demand for home-AI scenarios and edge computing power to build new growth drivers. The Group will continue to invest in the research and development of its home agent Cedar and cloud-edge architecture, enhancing capabilities in multimodal understanding, reasoning responsiveness and proactive service delivery to define the core of the AI Home of the future. At the same time, the Group is proactively deploying video and network communication devices equipped with edge computing capabilities, as well as high-performance home computing platforms, to meet the demands for low latency, privacy protection and local closed-loop operation and maintenance, thereby refining the home edge computing system. Furthermore, the Group will continue to expand its AI-driven product portfolio, actively exploring the deep integration of innovative devices such as AI cameras, AI smart glasses and home robots with home-use scenarios, thereby building a full-scenario physical AI home ecosystem.

Meanwhile, the Group will remain customer-centric by increasing its investment in global localized marketing and technical service teams, reinforcing its leadership in the smart home and Android TV terminal markets. The Group will also proactively expand its diverse sales channels and customer base, while deepening partnerships with global software, hardware, and content ecosystem players to ensure product ecosystem diversity and maintain strong technological moats.

Furthermore, the Group will accelerate the digital transformation of its internal operations, leveraging automation and data analytics to optimize the supply chain, finance and cross-departmental collaboration, thereby driving overall operational efficiency. While continuing to prioritize independent R&D, the Group will strategically pursue investment opportunities in high-quality targets closely aligned with its core upstream and downstream businesses, such as cutting-edge core technologies, to foster synergistic growth across the industrial chain.

FINANCIAL REVIEW

REVENUE

The Group's total revenue increased by approximately 36.3% from RMB1,536.8 million for the six months ended June 30, 2025 to RMB2,095.4 million for the six months ended June 30, 2026, primarily attributable to an increase in regional demand, and an increase in selling price of the Group's products.

Sales of Digital Video Devices

The Group's revenue from sales of digital video devices increased by approximately 40.5% from RMB1,234.0 million for the six months ended June 30, 2025 to RMB1,734.0 million for the six months ended June 30, 2026, mainly driven by increased demand in the Asian market and higher product prices.

Sales of Network Communication Devices

The Group's sales of network communication devices decreased by approximately 38.3% from RMB232.7 million for the six months ended June 30, 2025 to RMB143.6 million for the six months ended June 30, 2026, mainly attributable to product updates and iterations, with the new generation of products being currently at the validation phase.

Provision of System Platforms and Services

Revenue from provision of system platforms and services increased by approximately 31.4% from RMB9.1 million for the six months ended June 30, 2025 to RMB11.9 million for the six months ended June 30, 2026, primarily attributable to the expansion of the digital video devices business, which led to an increase in revenue from supporting technical services.

Sales of Parts and Accessories

The Group's sales of parts and accessories increased by approximately 237.2% from RMB61.1 million for the six months ended June 30, 2025 to RMB205.9 million for the six months ended June 30, 2026, mainly because Group leveraged its bulk procurement advantages to sell some of raw materials, while prioritizing the fulfilment of its own production requirements.

COST OF SALES

The Group's cost of sales increased by approximately 30.6% from RMB1,265.6 million for the six months ended June 30, 2025 to RMB1,652.3 million for the six months ended June 30, 2026, primarily due to the continued rise in market prices for key raw materials used in the Group's products during the Reporting Period, which led to a year-on-year increase in the cost of sales.

GROSS PROFIT AND GROSS PROFIT MARGIN

As a result of the foregoing, the Group's gross profit increased by approximately 63.4% from RMB271.2 million for the six months ended June 30, 2025 to RMB443.2 million for the six months ended June 30, 2026. The Group's gross profit margin increased from approximately 17.6% for the six months ended June 30, 2025 to approximately 21.1% for the six months ended June 30, 2026, primarily due to an increase in revenue as well as the Group's ongoing efforts in the optimization of its product mix and enhancing its supply chain management.

Sales of Digital Video Devices

The Group's gross profit margin from sales of digital video devices increased from approximately 16.8% for the six months ended June 30, 2025 to approximately 18.2% for the six months ended June 30, 2026. This was primarily attributable to a year-on-year increase in gross profit margin as the Group leveraged its core supply chain resources and production capacity amid the rising market prices of key raw materials during the Reporting Period, while implementing effective pricing pass-through and optimizing product structure.

Sales of Network Communication Devices

The Group's gross profit margin from sales of network communication devices decreased from approximately 22.1% for the six months ended June 30, 2025 to approximately 16.0% for the six months ended June 30, 2026, mainly because the Group's new products were in the validation phase and had not yet generated revenue during the Reporting Period, while the gross profit margin of existing products decreased as a result of the fluctuations in the market prices of key raw materials.

Provision of System Platforms and Services

The Group's gross profit margin from provision of system platforms and services decreased from approximately 54.1% for the six months ended June 30, 2025 to approximately 42.8% for the six months ended June 30, 2026, primarily due to the technical upgrades and higher development costs in the system platform business during the Reporting Period, leading to a year-on-year decline in the gross profit margin.

Sales of Parts and Accessories

The Group's gross profit margin from sales of parts and accessories increased from approximately 12.2% for the six months ended June 30, 2025 to approximately 48.2% for the six months ended June 30, 2026, primarily attributable to a year-on-year increase in gross profit margin due to market price fluctuations as the Group leveraged its bulk procurement advantages to sell some of raw materials while prioritizing the fulfilment of its own production requirements.

OTHER INCOME AND GAINS

The Group's other income and gains decreased by approximately 59.8% from RMB19.7 million for the six months ended June 30, 2025 to RMB7.9 million for the six months ended June 30, 2026, mainly affected by the depreciation of the US dollar against the Renminbi during the Reporting Period, resulting in a net foreign exchange loss for the current period, compared to a net foreign exchange gain for the same period of last year.

SELLING AND DISTRIBUTION EXPENSES

The Group's selling and distribution expenses increased by approximately 22.1% from RMB60.6 million for the six months ended June 30, 2025 to RMB74.0 million for the six months ended June 30, 2026, primarily due to (i) the increase in the remuneration of sales personnel in line with the growth in business performance; and (ii) the increase in marketing expenses resulting from stepped-up marketing efforts to support the expansion of business scale.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses increased by approximately 21.0% from RMB52.9 million for the six months ended June 30, 2025 to RMB64.0 million for the six months ended June 30, 2026, primarily due to an increase in headcount in response to business growth and management needs for refined, digital and intelligent operations, which led to an increase in the overall remuneration of administrative staff.

RESEARCH AND DEVELOPMENT COSTS

The Group's research and development expenses increased by approximately 4.9% from RMB78.8 million for the six months ended June 30, 2025 to RMB82.7 million for the six months ended June 30, 2026, primarily due to the corresponding increase in the remuneration of R&D personnel in line with the growth in business performance.

REVERSALS OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

The Group's reversal of impairment losses on financial assets was RMB12.9 million for the six months ended June 30, 2025, and the Group's reversal of impairment losses on financial assets was RMB1.0 million for the six months ended June 30, 2026, reflecting the ongoing enhancement of the Group's trade receivables management.

OTHER EXPENSES

The Group's other expenses increased by approximately 3,410.9% from RMB0.7 million for the six months ended June 30, 2025 to RMB25.8 million for the six months ended June 30, 2026, primarily attributable to a net foreign exchange loss arising from the depreciation of the US dollar against the RMB during the Reporting Period.

FINANCE COSTS

The Group's finance costs increased by approximately 126.7% from RMB2.1 million for the six months ended June 30, 2025 to RMB4.7 million for the six months ended June 30, 2026, primarily due to the increased working capital requirements during the Reporting Period, which led to an increase in bank borrowings and discounting of bills, resulting in a corresponding increase in interest expenses.

INCOME TAX EXPENSE

The Group's income tax expense increased by approximately 251.2% from RMB5.5 million for the six months ended June 30, 2025 to RMB19.4 million for the six months ended June 30, 2026, primarily due to the increase in profit before tax resulting from the Group's improved business performance.

PROFIT FOR THE PERIOD

The Group's profit for the period increased by approximately 75.9% from RMB103.1 million for the six months ended June 30, 2025 to RMB181.4 million for the six months ended June 30, 2026, primarily due to the increase in revenue as well as the Group's ongoing efforts in the optimization of its product mix and enhancing its supply chain management. The Group's net profit margin increased from approximately 6.7% for the six months ended June 30, 2025 to approximately 8.7% for the six months ended June 30, 2026, primarily due to the increase in profit for the period.

NON-HKFRS MEASURES

To supplement the Group's consolidated statements of profit or loss and other comprehensive income presented in accordance with HKFRS Accounting Standards, the Group also uses adjusted net profit (non-HKFRS measure), as an additional financial measure, which is not required by, or presented in accordance with HKFRS Accounting Standards. The Group believes that the presentation of such non-HKFRS measure when shown in conjunction with the corresponding HKFRS measures provide useful information to potential investors and management in facilitating a comparison of the Group's operating performance from period to period.

However, the use of non-HKFRS measure has limitations as an analytical tool, and Shareholders and potential investors should not consider them in isolation from, or as a substitute for analysis of, the Group's results of operations or financial conditions as reported under HKFRS Accounting Standards. In addition, the non-HKFRS financial measure may be defined differently from similar terms used by other companies.

The Group defines adjusted net profit (non-HKFRS measure), as profit for the period adding listing expenses. The following table reconciles the Group's adjusted net profit (non-HKFRS measure) for the periods indicated:

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	**181,416**	103,134
Adding		
Listing expenses related to the Global Offering	**10,500**	10,962
Adjusted net profit (non-HKFRS measure)	**191,916**	114,096

LIQUIDITY AND CAPITAL RESOURCES

The Group's business operations and expansion plans require a significant amount of capital, including cash and cash equivalents as well as other working capital requirements. Historically, The Group financed its capital expenditure and working capital requirements mainly through cash generated from operations and bank borrowings.

As of June 30, 2026, the Group's cash and cash equivalents amounted to RMB499.9 million, representing an increase of approximately 82.9% compared with RMB273.4 million as of December 31, 2025. The increase was mainly due to the Group's listing on the Main Board of the Stock Exchange during the Reporting Period and the receipt of the net proceeds from the Global Offering.

As of June 30, 2026, the Group's gearing ratio (calculated as total borrowings and leasing liabilities divided by total equity and multiplied by 100%) was approximately 37.7% (as of December 31, 2025: approximately 18.3%).

The Group adopts a prudent funding and treasury policy with a view to optimize its financial position. The Group regularly monitors its funding requirements to support its business operations and perform ongoing liquidity review. The primary uses of cash are to satisfy its working capital, capital expenditure and investment needs. For the Reporting Period, the Group financed its operations primarily through cash flows from operating activities and available bank loans and banking facilities.

The Group manages and monitors the exposure of liquidity risk to ensure appropriate measures are implemented in a timely and effective manner. The Group regularly monitors the liquidity requirements and compliance with lending covenants, to ensure that the Group maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet the liquidity requirements in the short and long term. During the Reporting Period, apart from the foreign exchange hedging instruments to hedge against foreign currency exchange risks, the Group did not use any other financial instruments for hedging purposes and did not consider necessary to hedge in order to manage the liquidity and capital resources.

PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment consisted of (i) machinery and equipment; (ii) vehicles; (iii) construction in progress, mainly in relation to the construction of our new R&D center; (iv) leasehold improvements; and (v) furniture and fixtures. The Group's property, plant and equipment increased by approximately 27.9% from RMB43.3 million as of December 31, 2025 to RMB55.4 million as of June 30, 2026, primarily due to an increase in the office equipment and R&D equipment, as well as an increase in construction in progress relating to the new research and development centre.

RIGHT-OF-USE ASSETS

The Group's right-of-use assets consisted of leasehold land and buildings used as the Group's office premises. The Group's right-of-use assets decreased by approximately 7.7% from RMB47.3 million as of December 31, 2025 to RMB43.7 million as of June 30, 2026, primarily due to the normal depreciation and amortisation during the Reporting Period.

INVENTORIES

The Group's inventories comprised (i) raw materials; (ii) work in progress, related to materials delivered to OEM suppliers for processing and semi-finished goods stored in our own warehouses to be further outsourced for manufacturing; (iii) finished goods; and (iv) goods in transit. The Group's inventories increased from RMB869.4 million as of December 31, 2025 to RMB2,092.7 million as of June 30, 2026. Inventories turnover days increased from 102 days as of December 31, 2025 to 162 days as of June 30, 2026, primarily due to the increase in the overall value of inventories as a result of the rising market prices of raw materials, as well as an increase in raw material stocks in line with order forecasts and customer demand.

TRADE AND BILLS RECEIVABLES

The Group's trade and bills receivables primarily represent the outstanding amounts due to the Group from its customers for sales of its products. The Group's trade and bills receivables increased from RMB905.2 million as of December 31, 2025 to RMB1,246.3 million as of June 30, 2026. Trade receivables turnover days decreased from 94 days as of December 31, 2025 to 93 days as of June 30, 2026, which is in line with revenue growth.

TRADE AND BILLS PAYABLES

The Group's trade and bills payables primarily represent balances due to its suppliers for the procurement of raw materials and processing services. The Group's trade and bills payables increased from RMB861.7 million as of December 31, 2025 to RMB1,368.6 million as of June 30, 2026. Trade payables turnover days increased from 111 days as of December 31, 2025 to 122 days as of June 30, 2026. Such change was mainly due to rising market prices of raw materials and increased procurement of raw materials in line with order forecasts and customer demand.

OTHER PAYABLES AND ACCRUALS

The Group's other payables and accruals increased from RMB170.7 million as of December 31, 2025 to RMB178.5 million as of June 30, 2026, mainly due to an increase in royalties payable in line with business growth, as well as an increase in marketing expenses payable.

CONTRACT LIABILITIES

The Group's contract liabilities during the Reporting Period consisted of advances from customers for sales of goods. The Group's contract liabilities increased by approximately 1,095.4% from RMB30.2 million as of December 31, 2025 to RMB361.4 million as of June 30, 2026 due to the Group's adjustment of its sales policy to increase the proportion of advance payments from customers, in order to safeguard procurement, supply and order delivery against the backdrop of persistently rising raw material market prices.

INDEBTEDNESS

During the Reporting Period, the Group's indebtedness consisted of (i) interest-bearing bank and other borrowings; and (ii) lease liabilities.

During the Reporting Period, the Group's borrowing requirements are not subject to significant seasonal fluctuations. The Group's interest-bearing bank and other borrowings increased by approximately 239.7% from RMB215.6 million as of December 31, 2025 to RMB732.3 million as of June 30, 2026, primarily due to the increase of the Group's short-term bank borrowings to meet its working capital requirements for securing the supply of key raw materials and locking in procurement costs amid the tight supply and sustained price rises in the memory chip market during the Reporting Period. As of June 30, 2026, approximately 15.3% of the Group's total bank and other borrowings were at fixed interest rates, while the remaining were at variable interest rate. During the Reporting Period, the borrowings of the Group are all made in RMB.

The Group's lease liabilities mainly represent the amount to be paid by the Group as the lessee for the leases of premises of the Group's offices and warehouses. The Group's lease liabilities decreased by approximately 18.7% from RMB16.1 million as of December 31, 2025 to RMB13.1 million as of June 30, 2026, primarily due to the payment of rent under lease agreements during the Reporting Period.

CONTINGENT LIABILITIES

As at June 30, 2026, the Group did not have any material outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities.

CAPITAL EXPENDITURES

The Group's capital expenditures during the Reporting Period consisted of expenditures on purchases of (i) property, plant and equipment; (ii) land use rights and intangible assets. As at June 30, 2026, the Group recorded capital expenditures of RMB24.1 million.

FOREIGN CURRENCY RISK AND HEDGING

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies, including Hong Kong dollars, US dollars and Euros, in which the Group conduct our business may affect our financial condition and results of operations. As of the date of this report, the Group uses forward currency contracts, foreign currency swaps and foreign exchange options to hedge against its exposure to foreign currency exchange risks. The Group will closely monitor the foreign exchange risks and will utilize appropriate financial instruments for hedging purposes when necessary to help reduce foreign exchange risks.

CHARGE OF ASSETS

As of June 30, 2026, pledged deposits of RMB68.1 million and restricted bank deposits of RMB52.2 million were pledged as security to issue bank acceptance bills and bank guarantees, amounting to a total of RMB120.3 million. Save as disclosed above, as of June 30, 2026, the Group did not have any charge on its assets.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND AFFILIATES

From the Listing Date up to June 30, 2026, the Group had no significant investment, material acquisitions or disposals of subsidiaries, associates and affiliates. As at the date of this report, save for those set out in the "Future Plans and Use of Proceeds" section of the Prospectus of the Company dated May 18, 2026, the Group currently has no other material future investment or capital asset plans.

EMPLOYEES AND REMUNERATION POLICY

As at June 30, 2026, the Group had 694 employees (as at December 31, 2025: 692 employees). For the six months ended June 30, 2026, the Group's staff costs (including all remuneration, social security and housing fund, welfare expenses, education expenses, and other employee compensation) amounted to approximately RMB127.0 million.

To streamline human resource management, the Group established a comprehensive set of internal management measures, outlining the procedures and criteria for recruitment, training, internal referrals, among others. The Group uses various recruitment methods, including campus recruitment, online recruitment, other external recruitment channels as well as internal referrals and transfers. In addition to salaries and benefits, the Group generally provides performance-based bonuses for its full-time employees. The Group has established a comprehensive system for employee training and development, including general trainings covering corporate culture, employee rights and responsibilities, workplace safety, data security and other logistics aspects, as well as specific trainings that improve employee knowledge and expertise in certain important areas related to its business. The Group is committed to making continual efforts to provide an engaging working environment for its employees.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Main Board of the Stock Exchange on May 27, 2026. The net proceeds from the Global Offering amounted to approximately HK$574.2 million. The offer price per H Share under the Global Offering was HK$32.80.

The Company intends to use the net proceeds in the same manner and proportion as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus and there has been no change in the intended use of the net proceeds and the expected timeline. The following table sets forth the status of the use of the net proceeds from the Global Offering as of June 30, 2026:

Intended use of net proceeds[2]	Percentage of intended use of net proceeds (%)	Approximate net proceeds[1] from the Global Offering (in HK$ millions)	Amount utilized as of June 30, 2026	Amount unutilized as of June 30, 2026	Expected timeline of full utilization of the net proceeds
Enhance market position and develop new products	25.00	143.55	–	143.55	Three to four years from the Listing
(1) Upgrade the Group's existing products and refine the Group's current technologies	10.00	57.42	–	57.42	
(i) Media streaming terminals	4.00	22.97	–	22.97	
(ii) Smart projectors	1.00	5.74	–	5.74	
(iii) Smart cameras	0.50	2.87	–	2.87	
(iv) Network communication products	3.00	17.23	–	17.23	
(v) AI agent	1.00	5.74	–	5.74	
(vi) System platforms	0.50	2.87	–	2.87	
(2) Develop new products and expand the Group's existing product combinations, such as AI-based innovative products	15.00	86.13	–	86.13	
(i) AI glasses	1.50	8.61	–	8.61	
(ii) AI computing boxes	4.50	25.84	–	25.84	
(iii) Smart speakers	4.50	25.84	–	25.84	
(iv) AI robots	4.50	25.84	–	25.84	
Invest in the application of AI technology in the home setting	35.00	200.97	–	200.97	Three to four years from the Listing
(1) Break through the technological edge of the Group's AI technology, integrate distributed intelligent units, and form a closed-loop capability of "perception-decision-execution" for the Group's digital video device development	15.00	86.13	–	86.13	

Intended use of net proceeds[2]	Percentage of intended use of net proceeds (%)	Approximate net proceeds[1] from the Global Offering (in HK$ millions)	Amount utilized as of June 30, 2026	Amount unutilized as of June 30, 2026	Expected timeline of full utilization of the net proceeds
(2) (i) improve the accuracy and response speed of user interactions in areas such as acoustics, vision, radar, and UWB; (ii) optimize the algorithm performance in certain areas; and (iii) achieve higher accuracy in Wi-Fi perception algorithms for the Group's network communication devices	10.00	57.42	–	57.42	
(3) (i) integrate third-party AI LLMs into real-time audio and video technology; (ii) implement cloud-based AI visual analysis algorithms; (iii) enhance cloud-edge collaboration networking technology; (iv) deepen AI-enabled intelligent scenario construction; and (v) build platform high-concurrency capabilities and expand platform capabilities	10.00	57.42	–	57.42	
Global Expansion	20.00	114.84	–	114.84	Three to four years from the Listing
(1) Increase the Group's investment in the marketing and technical capabilities of local customer service teams, primarily in Latin America, to meet customized product development needs through a variety of means, ensuring product quality and after-sales service	5.00	28.71	–	28.71	
(2) Deepen cooperation with the Group's existing global partners (including but not limited to Google, premium content providers, telecommunication providers, chip manufacturers and OEM suppliers)	5.00	28.71	–	28.71	
(i) With respect to Google, obtain its certification for the Group's future digital video products					
– Software integration and iteration[3]	0.50	2.87	–	2.87	

FINANCIAL REVIEW

Intended use of net proceeds[2]	Percentage of intended use of net proceeds (%)	Approximate net proceeds[1] from the Global Offering (in HK$ millions)	Amount utilized as of June 30, 2026	Amount unutilized as of June 30, 2026	Expected timeline of full utilization of the net proceeds
– Internal testing and issue resolution	0.75	4.31	–	4.31	
– Third-party laboratory testing	0.35	2.01	–	2.01	
(ii) With respect to premium content providers, secure more content licensing partnerships and obtain corresponding certifications					
– Project initiation and preparation	0.40	2.30	–	2.30	
– Product testing	0.90	5.17	–	5.17	
– Third-party laboratory testing	0.50	2.87	–	2.87	
– Review reporting and approval	0.10	0.57	–	0.57	
(iii) With respect to OEM vendors					
– Factory assessment	0.23	1.32	–	1.32	
– Contract signing	0.23	1.32	–	1.32	
– Trial production	0.52	2.99	–	2.99	
– Follow-up and support	0.52	2.99	–	2.99	
(3) (i) expand the Group's sales channels to better cooperate with global retail giants, and (ii) launch and promote self-owned brand products (including but not limited to the Group's AI-powered products, such as AI robots, AI computing boxes and AI glasses), gradually increasing retail market share	10.00	57.42	–	57.42	
Invest in market players which operate within the same industry as the Group's or upstream and downstream market players with strong potential in areas including, but not limited to, AI and algorithms	10.00	57.42	–	57.42	Three to four years from the Listing
Working capital and general corporate purposes	10.00	57.42	–	57.42	Three to four years from the Listing
Total[3]	100.0	574.20	–	574.20	

Notes:

(1) The figures in the table are approximate figures.

(2) Please refer to the section headed "Future Plans and Use of Proceeds" of the Prospectus for the full text of the Group's use of proceeds from the Global Offering.

(3) Reference is made to page 16 of the interim results announcement of the Company dated August 20, 2026. The Company would like to clarify that the use of proceeds with respect to Google for software integration and iteration should be 0.50% of the total proceeds and the approximate net proceeds is HK$2.87 million.

(4) Certain amounts included in this table have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding.

The current expected timeframe for utilizing the remaining unused net proceeds in full are based on the best estimation by the Directors barring any unforeseen circumstances and may be subject to change based on the Group's operating conditions and prevailing and future development of market conditions. The Directors will assess the plans for the use of the unutilized net proceeds on an ongoing basis and may revise or modify such plans where necessary to respond to the changing market conditions with a view to promoting a better growth and development of the Group. The Group will continue to evaluate the use of the unutilized net proceeds cautiously and monitor the market conditions closely to adjust the use of the unutilized net proceeds from the fund raising activities by the Group where necessary for the long-term development of the Group. The Company will make appropriate announcement(s) in due course in accordance with and if required under the Listing Rules should there be any material change in the intended use of the unutilized net proceeds.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended June 30, 2026.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

From the Listing Date up to June 30, 2026, neither the Company nor any member of the Group has purchased, sold or redeemed any listed securities of the Company (including the sale of treasury shares). At the end of the Reporting Period, the Company held no treasury shares.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for securities transactions by directors of listed issuers as set out in Appendix C3 of the Listing Rules as its own code of conduct to regulate dealings in the securities of the Company by the Directors who, because of their office or employment, are likely to possess inside information in relation to the Group or the securities of the Company and other matters as covered by the Model Code. Upon specific enquiries by the Company, all Directors confirmed that they have complied with the Model Code from the Listing Date up to June 30, 2026. Furthermore, from the Listing Date up to June 30, 2026, the Company was not aware of any non-compliance with the Model Code by the senior management of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As the Company was listed on the Stock Exchange on May 27, 2026, the Corporate Governance Code set out in Appendix C1 to the Listing Rules was not applicable to the Company prior to the Listing Date.

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. Since the Listing Date, the Company has adopted corporate governance practices based on the principles and code provisions as set out in the Corporate Governance Code. Save as disclosed below, the Company has complied with all applicable code provisions under the Corporate Governance Code from the Listing Date up to June 30, 2026. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the code provisions under the Corporate Governance Code.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, the roles of the chairman of the Board and chief executive should be separate and should not be performed by the same individual. Currently, Mr. Li Bo holds both the positions of the chairman of the Board of the Company and the general manager of the Company. As Mr. Li Bo has been managing the Group's business and supervising the overall operations of the Group since its establishment in 2003, the Board is of the view that vesting the roles of both the chairman of the Board and the general manager of the Company in Mr. Li Bo is beneficial to the management and business development of the Group and will provide a strong and consistent leadership to the Group. Taking into account all the corporate governance measures implemented by the Group, the Board considers that the balance of power and authority under the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Accordingly, the Company has not segregated the roles of the chairman and the general manager. The Board will continue to review and consider splitting the roles of the chairman of our Board and the general manager at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

CHANGES IN DIRECTORS' INFORMATION

There has been no change in the information of Directors which is required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Ms. Li Jianyi resigned as the Joint Company Secretary and the Authorized Representative on August 20, 2026. Ms. Dang Hui has been appointed as the Joint Company Secretary and the Authorized Representative of the Company on the same day (i.e. August 20, 2026). For details, please refer to the Company's announcement dated August 20, 2026.

SDMC Technology (Hong Kong) Limited ("**SDMC Hong Kong**", 華曦達科技(香港)有限公司), a subsidiary of the Company, entered into a cornerstone investment agreement dated August 27, 2026 with Shenzhen Longsys, whose shares are listed on the Main Board of the Hong Kong Stock Exchange on September 8, 2026 (stock code: 09976), CITIC Securities (Hong Kong) Limited, CLSA Limited, Citigroup Global Markets Asia Limited and China Securities (International) Corporate Finance Company Limited, pursuant to which SDMC Hong Kong agreed to subscribe for the offer shares of Shenzhen Longsys at the offer price in the aggregate amount of HK$20 million in accordance with the terms of the cornerstone investment agreement. SDMC Hong Kong was allocated 84,700 offer shares of Shenzhen Longsys at the final offer price of HK$236.00 per H share. For details, please refer to the prospectus and announcement of Shenzhen Longsys dated August 31, 2026 and September 7, 2026 respectively.

Save as disclosed above, the Group had no significant events after June 30, 2026 and up to the date of this report.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL STATEMENTS

As of the date of this report, the Audit Committee of the Company comprises three independent non-executive Directors, namely Ms. Luk Pui Yin Grace, Mr. Yin Renyong and Dr. Zheng Qian. Ms. Luk Pui Yin Grace is the chairlady of the Audit Committee who possesses appropriate professional qualifications as required by Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended June 30, 2026 with the management of the Company. The Audit Committee is of the view that the interim results are in compliance with applicable accounting standards, and that the Company has made appropriate disclosures in this regard. The interim results of the Group for the six months ended June 30, 2026 were not audited or reviewed by the external auditor of the Company.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2026, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, notified to the Company and the Stock Exchange were as follows:

Name of Director	Capacity/Nature of Interest	Class of Shares	Number of Shares held or interested[1]	Approximate percentage of shareholding in the relevant class of Shares[2]	Approximate percentage of shareholding in the total issued Shares[2]
Mr. Li Bo ("**Mr. Li**")[3]	Beneficial Interest	H Shares	50,286,768	24.02%	24.00%
	Interest in controlled corporation	H Shares	19,402,800	9.27%	9.26%
Mr. Yan Zhikang	Beneficial Interest	H Shares	4,544,800	2.17%	2.17%

Notes:

1. All interests stated are long positions.

2. The calculation is based on the total number of 209,540,070 Shares (comprising 209,393,562 H Shares and 146,508 Unlisted Shares) with no treasury shares held as of June 30, 2026.

3. As of June 30, 2026, Mr. Li was the sole general partner of Zhixin Weilai, Kaida Yunzhi and Huazhi Changlian, each an employee shareholding platform of the Company. Mr. Li was also the sole general partner of Qihang No.1 and Qihang No.2. Therefore, Mr. Li is deemed to be interested in the H Shares held by each of Zhixin Weilai, Kaida Yunzhi, Huazhi Changlian, Qihang No.1 and Qihang No.2 under the SFO, being an aggregate of 19,402,800 H Shares and representing approximately 9.26% of the total issued Shares of the Company.

Save as disclosed above, as of June 30, 2026, none of the Directors and chief executive of the Company had any interests and short positions of in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at June 30, 2026, so far as our Company is aware, save for the Directors and chief executives of the Company, the following persons have interests or short positions in the Shares or underlying Shares of the Company which are required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which are required to be entered in the register of the Company referred to in Section 336 of the SFO:

Name	Capacity/ Nature of Interest	Class of Shares	Number of Shares held or interested[1]	Approximate percentage of shareholding in the relevant class of Shares[2]	Approximate percentage of shareholding in the total issued Shares[2]
Ms. Song Zhixiao[3]	Interest of Spouse	H Shares	69,689,568	33.28%	33.26%
Ms. Li Qingqing[4]	Beneficial owner	H Shares	4,815,400	2.30%	2.30%
	Interest of Spouse	H Shares	18,604,000	8.88%	8.88%
Mr. Yang Jian[4], [5]	Beneficial owner	H Shares	600,000	0.29%	0.29%
	Interest in controlled corporation	H Shares	18,004,000	8.60%	8.59%
	Interest of Spouse	H Shares	4,815,400	2.30%	2.30%
Shenzhen Chuangzhan Internet Partnership (Limited Partnership) ("**Shenzhen Chuangzhan**") (深圳市創展互聯網合夥企業(有限合夥))	Beneficial owner	H Shares	18,004,000	8.60%	8.60%
Zhixin Weilai	Beneficial owner	H Shares	14,752,800	7.05%	7.04%
Liu Juan	Beneficial owner	Unlisted Shares	16,200	11.06%	0.01%
Li Jianxin	Beneficial owner	Unlisted Shares	20,000	13.65%	0.01%
He Yuanyuan	Beneficial owner	Unlisted Shares	25,200	17.20%	0.01%
Lin Lihua	Beneficial owner	Unlisted Shares	52,100	35.56%	0.02%

Notes:

1. All interests stated are long positions.

2. The calculation is based on the total number of 209,540,070 Shares (comprising 209,393,562 H Shares and 146,508 Unlisted Shares) with no treasury shares held as of June 30, 2026.

3. Ms. Song Zhixiao, the spouse of Mr. Li, is deemed under the SFO to be interested in these 69,689,568 H Shares in which Mr. Li is deemed to be interested in.

4. Mr. Yang Jian and Ms. Li Qingqing are spouses. By virtue of the SFO, each of them is deemed to be interested in the Shares in which the other is deemed to be interested.

5. As of June 30, 2026, Mr. Yang Jian was the general partner of Shenzhen Chuangzhan and he was deemed to be interested in the 18,004,000 H Shares held by Shenzhen Chuangzhan.

Save as disclosed above, as of June 30, 2026, so far as the Directors are aware and based on publicly available information, no person (save for the Directors and chief executives of the Company) had any interests and short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	**2026** **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
REVENUE	4	**2,095,437**	1,536,830
Cost of sales		**(1,652,279)**	(1,265,583)
Gross profit		**443,158**	271,247
Other income and gains		**7,918**	19,712
Selling and distribution expenses		**(74,016)**	(60,639)
Administrative expenses		**(64,042)**	(52,928)
Research and development costs		**(82,658)**	(78,774)
Reversal of impairment losses on financial assets, net		**1,038**	12,862
Other expenses		**(25,840)**	(736)
Finance costs		**(4,701)**	(2,074)
PROFIT BEFORE TAX	5	**200,857**	108,670
Income tax expense	6	**(19,441)**	(5,536)
PROFIT FOR THE PERIOD		**181,416**	103,134
Attributable to:			
Owners of the parent		**181,281**	103,108
Non-controlling interests		**135**	26
		181,416	103,134
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic and diluted		**RMB0.93**	RMB0.54
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(1,346)**	1,801
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**180,070**	104,935
Attributable to:			
Owners of the parent		**179,938**	104,909
Non-controlling interests		**132**	26

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	8	**55,449**	43,340
Right-of-use assets		**43,657**	47,308
Other intangible assets		**5,877**	6,907
Deferred tax assets		**22,234**	15,965
Long-term prepayments and deposits		**9,326**	4,495
Total non-current assets		**136,543**	118,015
CURRENT ASSETS			
Inventories		**2,092,737**	869,360
Trade and bills receivables	9	**1,246,314**	905,190
Prepayments, deposits and other receivables		**398,083**	352,031
Current income tax recoverable		**51**	2,886
Pledged deposits		**68,129**	—
Time deposits with original maturity of over three months		**163,573**	—
Restricted bank deposits		**52,203**	52,591
Cash and cash equivalents		**499,923**	273,353
Total current assets		**4,521,013**	2,455,411
CURRENT LIABILITIES			
Trade and bills payables	10	**1,368,554**	861,725
Other payables and accruals		**178,525**	170,722
Derivative financial instruments		**1,394**	1,033
Interest-bearing bank and other borrowings		**732,319**	215,564
Lease liabilities		**8,159**	7,770
Income tax payable		**21,068**	5,751
Contract liabilities		**361,428**	30,236
Provision		**4,434**	3,992
Total current liabilities		**2,675,881**	1,296,793
NET CURRENT ASSETS		**1,845,132**	1,158,618
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,981,675**	1,276,633

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		**4,912**	8,303
Deferred income		**1,028**	1,090
Total non-current liabilities		**5,940**	9,393
Net assets		**1,975,735**	1,267,240
EQUITY			
Equity attributable to owners of the parent			
Share capital	11	**209,540**	190,333
Reserves		**1,766,015**	1,076,859
		1,975,555	1,267,192
Non-controlling interests		**180**	48
Total equity		**1,975,735**	1,267,240

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent								
	Share capital RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2026 (audited)	190,333	153,814	2,919	91,566	(11,163)	839,723	1,267,192	48	1,267,240
Profit for the period	–	–	–	–	–	181,281	181,281	135	181,416
Exchange differences on translation of foreign operations	–	–	–	–	(1,343)	–	(1,343)	(3)	(1,346)
Total comprehensive income for the period	–	–	–	–	(1,343)	181,281	179,938	132	180,070
Share-based payments	–	–	2,010	–	–	–	2,010	–	2,010
Issue of shares	19,207	507,208	–	–	–	–	526,415	–	526,415
Transfer to statutory surplus reserve	–	–	–	11,778	–	(11,778)	–	–	–
At 30 June 2026 (Unaudited)	209,540	661,022*	4,929*	103,344*	(12,506)*	1,009,226*	1,975,555	180	1,975,735

	Attributable to owners of the parent									
	Share capital RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (audited)	191,500	–	163,636	2,434	75,245	(12,701)	616,932	1,037,046	7	1,037,053
Profit for the period	–	–	–	–	–	–	103,108	103,108	26	103,134
Exchange differences on translation of foreign operations	–	–	–	–	–	1,801	–	1,801	–**	1,801
Total comprehensive income for the period	–	–	–	–	–	1,801	103,108	104,909	26	104,935
Share-based payments	–	–	–	485	–	–	–	485	–	485
Shares repurchased	–	(10,989)	–	–	–	–	–	(10,989)	–	(10,989)
Transfer to statutory surplus reserve	–	–	–	–	6,309	–	(6,309)	–	–	–
At 30 June 2025 (Unaudited)	191,500	(10,989)	163,636*	2,919*	81,554*	(10,900)*	713,731*	1,131,451	33	1,131,484

* The reserve accounts comprise the consolidated reserves of RMB950,940,000 and RMB1,766,015,000 in the consolidated statements of financial position as at 30 June 2025 and 2026 respectively.

** The amounts are less than RMB1,000.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	**2026 RMB'000 (Unaudited)**	2025 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**200,857**	108,670
Adjustments for:			
Finance costs		**4,701**	2,074
Interest income		**(1,827)**	(4,705)
Gain on early termination of a lease		**(5)**	—
Loss on disposal of items of property, plant and equipment		**81**	32
Depreciation of property, plant and equipment		**4,584**	3,463
Depreciation of right-of-use assets		**4,008**	4,749
Amortisation of intangible assets		**1,030**	1,119
Reversal of impairment of trade and bills receivables, and other receivables	5	**(1,038)**	(12,862)
Write-down of inventories to net realisable value		**18,987**	13,173
Fair value loss on derivative financial instruments		**1,119**	697
Investment income from derivative financial instruments		**(2,985)**	(821)
Equity-settled share-based payment expenses		**2,010**	485
Foreign exchange losses/(gains), net		**1,159**	(2,267)
		232,681	113,807
Decrease in restricted bank deposits		**455**	35,718
Increase in pledged deposits		**(68,000)**	—
Increase in trade and bills receivables		**(343,385)**	(135,695)
Increase in prepayments, deposits and other receivables		**(47,870)**	(9,324)
(Increase)/decrease in inventories		**(1,242,364)**	62,806
Increase in trade and bills payables		**510,077**	34,299
(Increase)/decrease in contract liabilities		**331,192**	(1,127)
Increase in other payables and accruals		**8,638**	11,328
Decrease in deferred income		**(62)**	—
Increase in provision for product warranties		**442**	—
Cash generated from operations		**(618,196)**	111,812
Income tax paid		**(7,558)**	(4,271)
Interest received		**1,999**	3,738
Net cash flows (used in)/from operating activities		**(623,755)**	111,279

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement of time deposits with original maturity of over three months		**(163,462)**	(21,476)
Purchases of items of property, plant and equipment		**(19,242)**	(8,530)
Payment of disposal of derivative financial instruments		**(1,430)**	(702)
Proceeds from derivative financial instruments		**3,657**	1,523
Proceeds from disposal of property, plant and equipment		**3**	7
Purchase of intangible assets		**(4,821)**	(1,503)
Net cash flows used in investing activities		**(185,295)**	(30,681)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution by equity holders	11	**19,207**	–
Proceeds from issue of shares		**509,709**	–
Payment of share issue expenses		**(32)**	(1,515)
Lease payments		**(4,268)**	(4,305)
New bank and other borrowings		**691,758**	125,191
Repayment of bank and other borrowings		**(175,003)**	(186,641)
Interest paid		**(4,375)**	(1,441)
Shares repurchased		**–**	(10,989)
Net cash flows from/(used in) financing activities		**1,036,996**	(79,700)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**227,946**	898
Cash and cash equivalents at beginning of period		**273,353**	455,770
Effect of foreign exchange rate changes, net		**(1,376)**	2,227
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**499,923**	458,895
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**499,923**	458,895
Cash and cash equivalents as stated in the consolidated statements of financial position and consolidated statements of cash flows		**499,923**	458,895

NOTES TO THE FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company is a joint stock company with limited liability incorporated in Shenzhen, the People's Republic of China (the "PRC") on 22 October 2003. The registered office address of the Company is 1st Floor, Building 5, Factory Building, Hengtongfa Industrial Zone, Tangtou Industrial Park, Tangtou Community, Shiyan Subdistrict, Bao'an District, Shenzhen, Guangdong Province, the PRC.

During the Relevant Periods the Group was principally engaged in (i) sales of digital video products and network communication products, and (ii) provision of system platforms and services.

During the Relevant Periods, Mr. Li Bo is considered to be the largest shareholder, who held approximately 33.26% of interest in the issued shares of the Company.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Place and date of registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shenzhen HCS Technology Co., Ltd. 深圳華誠智能終端科技有限公司*	PRC/Mainland China 1 July 2021	RMB3,000,000	100%	–	Export sales
SDMC TECHNOLOGY (HK) LIMITED 華曦達科技(香港)有限公司	Hong Kong 19 March 2019	HKD500,000	100%	–	Overseas chip procurement and export sales
Shenzhen DSY Technology Co., Ltd. 深圳市達視雲科技有限公司*	PRC/Mainland China 2 December 2018	RMB10,599,000	100%	–	Provision of system platforms and services
SDMC TECHNOLOGY (SINGAPORE) PTE. LTD.	Singapore 31 July 2022	SGD600,000	–	100%	Overseas sales and marketing
SDMC TECHNOLOGY POLAND Sp. z o. o. *(note (a))*	Poland 6 July 2023	PLN500,000	–	99%	Overseas sales and marketing
SDMC TECHNOLOGY INC	USA 16 January 2024	USD500,000	–	100%	Overseas sales and marketing
SDMC TECHNOLOGY COLOMBIA S.A.S.	Colombia 12 September 2025	COP250,000,000	–	100%	Overseas sales and marketing
SDMC INNOVATIONS MEXICO, SA DE CV	MEXICO 6 March 2026	MXN900,000	–	100%	Overseas sales and marketing

* The English names of these companies registered in the PRC represent the best effort made by the directors of the Company to translate the Chinese names as these companies have not been registered with any official English names.

Note:

(a) In the opinion of the directors, none of non-controlling interest in the individual subsidiaries is material to the Group.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The nature and impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(c) *Annual Improvements to HKFRS Accounting Standards — Volume 11* set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on its services and products and only has one reportable operating segment.

The information reported to the directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Geographical markets		
European	**738,067**	540,742
Asia	**806,288**	271,393
Americas	**400,788**	603,935
Africa and Oceania	**2,100**	11,881
Chinese Mainland	**148,194**	108,879
Total	**2,095,437**	1,536,830

The revenue information above is based on the locations of the customers.

(b) Non-current assets

Most of the Group's non-current assets are located in the Chinese Mainland. Thus, no geographic information is presented.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**2,095,437**	1,536,830

Revenue from contracts with customers

Disaggregated revenue information

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or services		
Sale of products	**2,083,537**	1,527,772
Services	**11,900**	9,058
Total	**2,095,437**	1,536,830
Geographical markets		
European	**738,067**	540,742
Asia	**806,288**	271,393
Americas	**400,788**	603,935
Africa and Oceania	**2,100**	11,881
Chinese Mainland	**148,194**	108,879
Total	**2,095,437**	1,536,830
Timing of revenue recognition		
Goods transferred at a point in time	**2,083,537**	1,527,772
Services transferred at a point in time	**11,900**	9,058
Total	**2,095,437**	1,536,830

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold*	**1,645,471**	1,261,424
Cost of services provided	**6,808**	4,159
Research and development costs	**82,658**	78,774
Depreciation of property, plant and equipment**	**4,584**	3,463
Depreciation of right-of-use assets**	**4,008**	4,749
Amortisation of intangible assets**	**1,030**	1,119
Loss/(gain) on disposal of property, plant and equipment***	**81**	32
Foreign exchange losses/(gains), net***	**24,406**	(7,523)
Lease payments in respect of short-term leases	**649**	740
Provision for/(reversal of) impairment loss of trade and bills receivables	**(2,121)**	(9,379)
Provision for/(reversal of) impairment loss of other receivables	**1,083**	(3,483)
Write-down of inventories to net realisable value****	**18,987**	13,173
Fair value loss on derivative financial instruments	**1,119**	697
Investment income from derivative financial instruments	**(2,985)**	(821)
Listing expenses	**10,500**	10,962
Auditor's remuneration	**276**	—
Employee benefit expenses (excluding directors' and chief executive's remuneration)		
— Wages and salaries	**101,649**	94,895
— Performance related bonus	**19,370**	19,833
— Pension scheme contributions*****	**4,199**	4,025
— Share-based payment	**2,010**	354
Total	**127,228**	119,107

* The amounts disclosed for cost of inventories sold included the write-down of inventories to net realisable value.

** The above depreciation of property, plant and equipment, right of use assets, and amortisation of intangible assets are included in "cost of sales", "selling and distribution expenses", "administrative expenses", "research and development expenses" in profit or loss.

*** The amounts are included in "other income and gains" and "other expenses" in profit or loss.

**** The amounts are included in "cost of sales" in profit or loss.

***** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. INCOME TAX

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

The provision for corporate income tax in the Chinese Mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

The Company was approved as a "High and New Technology Enterprise" and entitled to a preferential income tax rate of 15% during the Relevant Periods. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

SDMC TECHNOLOGY (HK) LIMITED is a qualifying entity under the two-tiered profits tax rates regime. The first HKD2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% for the six months ended 30 June 2026.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The income tax expense of the Group for the Relevant Periods is analysed as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	**25,710**	1,545
Deferred income tax	**(6,269)**	3,991
Total tax charge for the period	**19,441**	5,536

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the Relevant Periods.

No adjustment has been made to the basic earnings per share amounts presented for the Relevant Periods in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation: *(RMB'000)*	**181,281**	103,108
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation: *(thousand shares)*	**193,941**	190,838
Basic earnings and diluted earnings per share *(expressed in RMB per share)*	**0.93**	0.54

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets at a cost of RMB16,776,000 (30 June 2025: RMB6,147,000).

Assets with a net book value of RMB84,000 were disposed of by the Group during the six months ended 30 June 2026 (30 June 2025: RMB39,000), resulting in a net loss on disposal of RMB81,000 (30 June 2025: RMB32,000).

During the six months ended 30 June 2026 and 2025, no impairment loss was recognised by the Group.

9. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	**1,246,476**	916,679
Less: impairment of trade receivables	**(12,182)**	(14,538)
Trade receivables, net	**1,234,294**	902,141
Bills receivables*	**12,058**	3,061
Less: impairment of trade receivables	**(38)**	(12)
Trade receivables, net	**12,020**	3,049
TRADE AND BILLS RECEIVABLES	**1,246,314**	905,190

* Bills receivables are with a maturity period of within six months.

The Group's trading terms with its certain customers are on credit, and the credit period is generally within 30 to 120 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	**1,230,117**	893,410
1 to 2 years	**16,041**	11,306
2 to 3 years	**141**	471
3 to 4 years	**15**	3
Total	**1,246,314**	905,190

10. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	**1,368,106**	861,619
1 to 2 years	**425**	83
2 to 3 years	**1**	—
Over 3 years	**22**	23
Total	**1,368,554**	861,725

11. SHARE CAPITAL

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Authorised		
209,540,070 ordinary shares of RMB 1.00 each as at 30 June 2026 (31 December 2025: 190,332,770 ordinary shares)	**209,540**	190,333
Issued and fully paid		
209,540,070 ordinary shares of RMB1.00 each as at 30 June 2026 (31 December 2025: 190,332,770 ordinary shares)	**209,540**	190,333

A summary of movements in the share capital is as follows:

	Number of shares in issue (in thousand)	**Share capital** RMB'000
As at 31 December 2025 (audited)	190,333	190,333
Issue of shares	19,207	19,207
At 30 June 2026 (unaudited)	**209,540**	**209,540**

On 27 May 2026, the Company was listed on The Stock Exchange of Hong Kong Limited. At an issued price of HK$32.80 per share, the Company issued 19,207,300 shares for a total cash consideration, before expenses, of HK$629,999,440.00 (equivalent to RMB549,050,811.95).

12. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contracted, but not provided for:		
Buildings	**84,812**	16,166

13. RELATED PARTY TRANSACTIONS

(a) Other than the transactions and balances detailed elsewhere in these financial statements, the group had no material related party transactions during the year.

(b) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Fees	**180**	96
Salaries, allowances and benefits in kind	**1,388**	2,071
Performance related bonus	**790**	1,191
Pension scheme contributions	**84**	98
Share-based payment expenses	**–**	261
	2,442	3,717

14. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of each of the categories of financial instruments of the Group as at the end of each of the reporting periods are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Financial assets at amortised cost:		
Trade and bills receivables	**1,246,314**	905,190
Financial assets included in deposits and other receivables	**88,705**	23,244
Restricted bank deposits	**52,203**	52,591
Pledged deposits	**68,129**	–
Time deposits with original maturity of over three months	**163,573**	–
Cash and cash equivalents	**499,923**	273,353
Total	**2,118,847**	1,254,378
Financial liabilities at amortised cost:		
Trade and bills payables	**1,368,554**	861,725
Financial liabilities included in other payables and accruals	**140,676**	122,963
Lease liabilities	**13,071**	16,073
Interest-bearing bank and other borrowings	**732,319**	215,564
Financial liabilities at fair value through profit or loss:		
Derivative financial instruments	**1,394**	1,033
Total	**2,256,014**	1,217,358

All the carrying amounts of the Group's financial instruments approximate to their fair values due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group enters into derivative financial instruments with financial institutions with high credit ratings. Derivative financial instruments, including forward currency contracts and foreign currency swaps, calculated by using valuation techniques similar to forward pricing models using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amount of forward currency contracts is the same as their fair value. The fair value measurement hierarchy of the derivative financial instruments of the Group is classified as Level 2.

15. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after 30 June 2026 and up to the date of this report.