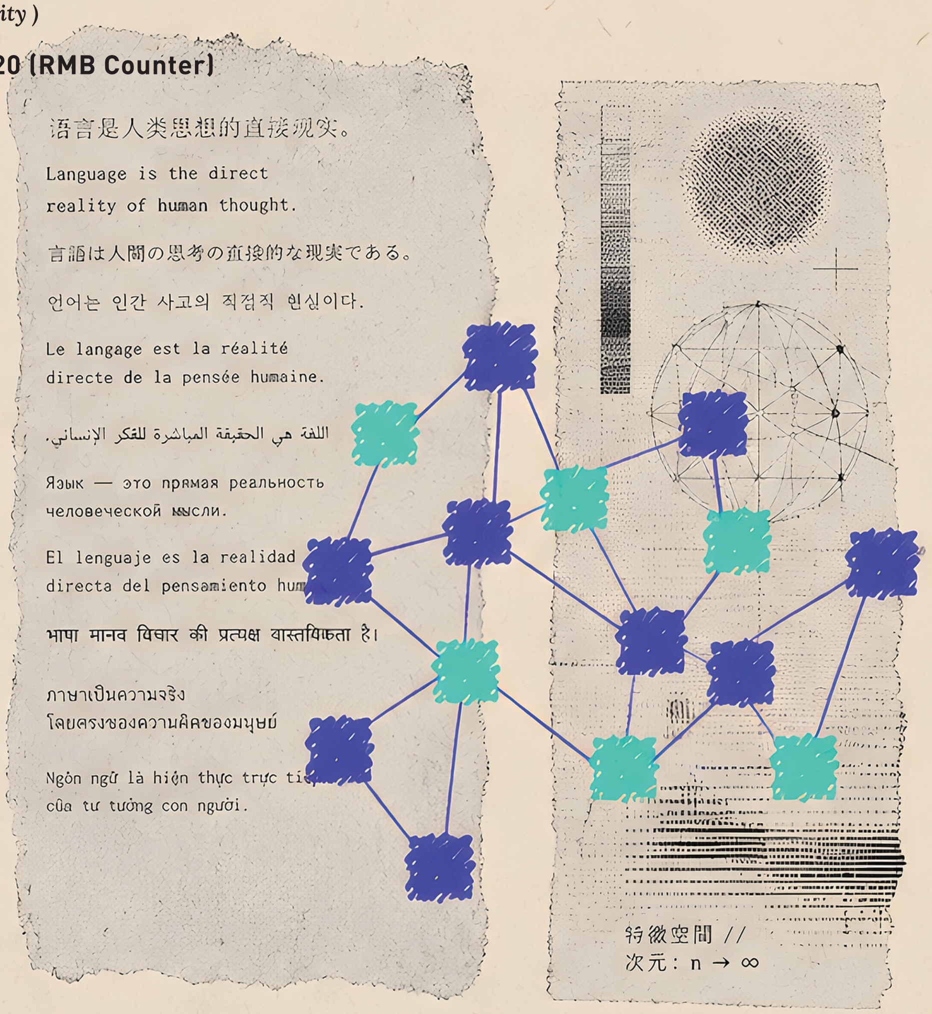
商汤
sensetime

SenseTime Group Inc.
商汤集团股份有限公司

(a company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

HKEX: 0020 (HKD Counter) 80020 (RMB Counter)



AI FOR A BETTER TOMORROW

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INTERIM REPORT
2026

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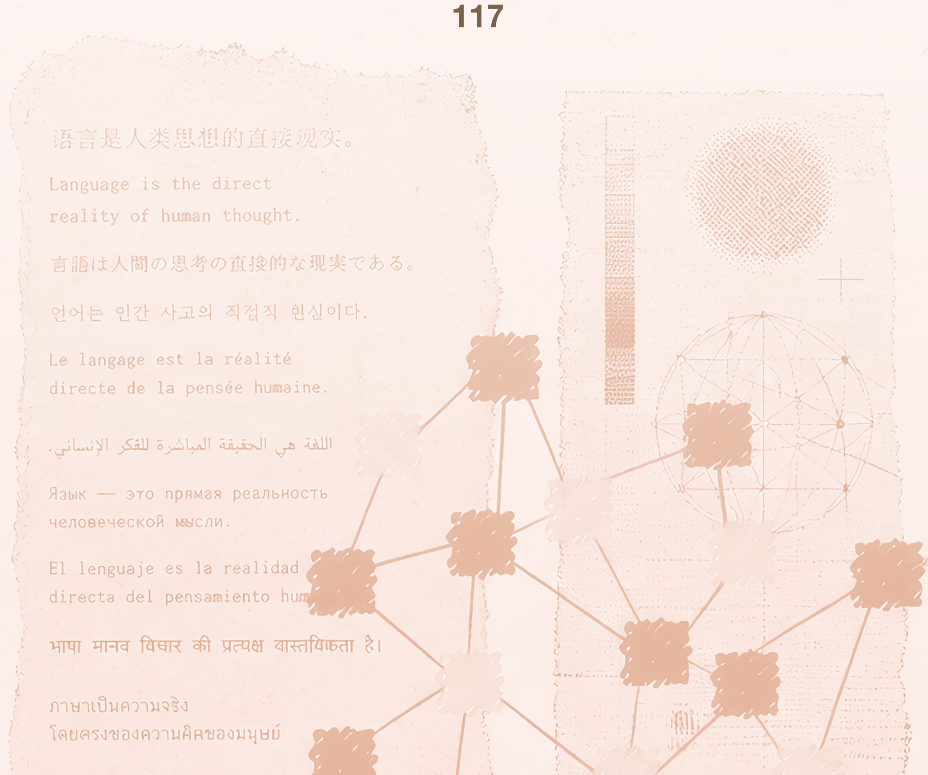

语言是人类思想的直接现实。
Language is the direct
reality of human thought.
言語は人間の思考の直接的な現実である。
언어는 인간 사고의 직접적 현실이다.
Le langage est la réalité
directe de la pensée humaine.
اللغة هي الحقيقة المباشرة للفكر الإنساني.
Язык — это прямая реальность
человеческой мысли.
El lenguaje es la realidad
directa del pensamiento
भाषा मानव विचार की प्रत्यक्ष वास्तविकता है।
ภาษาเป็นความจริง
โดยตรงของความคิดของมนุษย์

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. XU Li (徐立) (*Executive Chairman of the Board*)
Dr. WANG Xiaogang (王曉剛)
Dr. LIN Dahua (林達華)
Mr. YANG Fan (楊帆)
Mr. WANG Zheng (王征)

Non-executive Director

Ms. FAN Yuanyuan (范瑗瑗)

Independent non-executive Directors

Prof. XUE Lan (薛瀾)
Mr. LYN Frank Yee Chon (林怡仲)
Mr. CHIU Duncan (邱達根)

AUDIT COMMITTEE

Mr. LYN Frank Yee Chon (林怡仲) (*Chairperson*)
Ms. FAN Yuanyuan (范瑗瑗)
Mr. CHIU Duncan (邱達根)

REMUNERATION COMMITTEE

Mr. LYN Frank Yee Chon (林怡仲) (*Chairperson*)
Prof. XUE Lan (薛瀾)
Dr. XU Li (徐立)

NOMINATION COMMITTEE

Prof. XUE Lan (薛瀾) (*Chairperson*)
Dr. XU Li (徐立)
Ms. FAN Yuanyuan (范瑗瑗)
Mr. LYN Frank Yee Chon (林怡仲)
Mr. CHIU Duncan (邱達根)

CORPORATE GOVERNANCE COMMITTEE

Prof. XUE Lan (薛瀾) (*Chairperson*)
Mr. LYN Frank Yee Chon (林怡仲)
Mr. CHIU Duncan (邱達根)

JOINT COMPANY SECRETARIES

Ms. LIN Jiemin (林潔敏)
Ms. WONG Wai Yee Ella (黃慧兒) *(FCG, HKFCG)*

AUTHORIZED REPRESENTATIVES

Mr. WANG Zheng (王征)
Ms. LIN Jiemin (林潔敏)

AUDITOR

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

REGISTERED OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road, Grand Cayman
KY1-1205
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 1900 Hongmei Road
Xuhui District
Shanghai 200233
PRC

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

2/F, Harbour View 1
12 Science Park East Avenue
Hong Kong Science & Technology Park
Shatin
Hong Kong

HONG KONG LEGAL ADVISOR

Clifford Chance
27/F, Jardine House
One Connaught Place
Central
Hong Kong

COMPLIANCE ADVISOR

Haitong International Capital Limited
Suites 3001-3006 and 3015-3016
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road, Grand Cayman
KY1-1205
Cayman Islands

PRINCIPAL BANKS

Bank of China Limited
No. 1 Fuxingmen Nei Dajie
Xicheng District
Beijing
PRC

Industrial and Commercial Bank of China Limited
Shanghai Municipal Branch
No. 9 Pudong Avenue
Pudong New District
Shanghai
PRC

China Construction Bank
No. 25, Finance Street
Xicheng District
Beijing
PRC

China Merchants Bank
Merchants Bank Tower
No. 7088 Shennan Boulevard
Futian District
Shenzhen
PRC

STOCK CODES

0020 (HKD Counter)
80020 (RMB Counter)

COMPANY'S WEBSITE

www.sensetime.com

Key Highlights

FINANCIAL SUMMARY

	Six months ended June 30,				
	2026		2025		
	Amount	As a percentage of revenue	Amount	As a percentage of revenue	Period-over-period change
	(Unaudited)		(Unaudited)		
	(RMB in thousands, except for percentages)				
Revenue	**2,910,946**	**100.0**	2,358,198	100.0	23.4%
Gross Profit	**1,206,236**	**41.4**	907,800	38.5	32.9%
Profit/(Loss) for the period	**617,308**	**21.2**	(1,489,270)	(63.2)	-141.5%
EBITDA	**1,388,061**	**47.7**	(847,692)	(35.9)	-263.7%
Non-IFRS Measures:					
Adjusted EBITDA	**384,855**	**13.2**	(540,339)	(22.9)	-171.2%
Adjusted net loss	**(385,898)**	**(13.3)**	(1,181,917)	(50.1)	-67.3%

Chairman's Statement

OVERALL PERFORMANCE

During the first half of 2026, the shift from "model intelligence" to "agentic intelligence" significantly accelerated. At the same time, as long-horizon task reasoning, multimodal understanding, real-time interaction, and Agent Harness technologies continue to advance, AI is evolving from a tool that answers questions and generates content into intelligent systems that can understand goals, call tools, collaborate between humans and machines seamlessly, and continuously execute complex, long-running tasks. Industry competition has, as such, spilled over to encompass the deep integration of models, compute, data, tools, workflows, and safety governance into an end-to-end system capability – and the ability to deliver verifiable business outcomes in real-world scenarios.

Against this backdrop, we have drawn on our long-standing expertise in foundation models, AI infrastructure, joint model-infrastructure optimization, and industry applications to further build a system-level AI capability stack defined by "one model system, one Token Factory, and one Agent Harness": a native multimodal model system that continuously pushes the boundaries of intelligence and extends agents' ability to handle multimodal, long-horizon tasks; a Token Factory that drives the scaling and efficiency of model inference, scheduling, optimization, and delivery; and a unified Agent Harness that supports diverse product form factors, translating model and compute capabilities into complete, reliable task delivery.

Our view is that the shift brought by agents is not merely an upgrade in capability – it is a systemic migration in AI's audience, customer structure, and ultimately, how value is measured.

- As the barrier to entry continues to fall, AI is expanding from an efficiency tool for a small number of professionals into a service for everyday individuals and "One-Person Companies" (OPCs);
- In the enterprise market, service demand is shifting from back-office digital and IT functions, to front-line business units, while the customer base is broadening from leading enterprises to a growing number of small and medium-sized businesses;
- At the same time, as AI evolves from "a model being called" to "an executor that delivers results," its value measurement will gradually shift from Token consumption to Task delivery – Token efficiency determines the cost of intelligence, while Task delivery determines customer value.

Building on this judgment, our strategic focus is evolving from providing models and compute to delivering trustworthy multimodal agent capabilities at scale. During the reporting period, this strategic upgrade has already begun to materialize as healthy growth in revenue and gross profit, an increase in Recurring Revenue (RR), a continued significant narrowing of core operating losses, and continuous expansion in user scale.

FINANCIAL AND OPERATING PERFORMANCE

During the reporting period, we generated revenue of RMB2,910.9 million, up 23.4% year over year. Generative AI revenue reached RMB2,327.2 million, increasing 28.2% YoY and rising to 79.9% of our total revenue – reflecting that the "one model system, one Token Factory, one Agent Harness" framework is accelerating its conversion into scaled model services, Token services, and agent applications. Computer Vision revenue came in at RMB496.8 million, up 13.9% YoY, returning to healthy growth following optimization of its operating strategy and continuing to serve as a key entry point into industry verticals and overseas markets. Overseas revenue surged 127.0% YoY – well above our overall growth rate – as we extended our system-level AI capabilities to new regions and customers, supported by mature Computer Vision capabilities, unified multimodal models, and a localized delivery system.

- We are introducing Recurring Revenue (RR). RR for the first half of 2026 was RMB1,144.7 million, up 124.4% from RMB510.1 million in the first half of 2025, representing 39.3% of our revenue – a substantial increase from 21.6% in the same period last year. RR refers to revenue generated from existing contracts during the reporting period that demonstrates recurring characteristics over the contract term. The rapid growth in RR reflects how customer relationships are evolving from one-off project delivery towards ongoing services and deeper workflows, and signals that the sustainability and predictability of the Company's revenue are further enhanced.

- We achieved gross profit of RMB1,206.2 million in the first half of 2026, up 32.9% YoY, with gross margin expanding to 41.4%, an increase of 2.9 percentage points YoY. This performance reflects our ongoing efforts to optimize our business mix and project quality, as well as continuous improvements in delivery quality and efficiency through joint model-infrastructure optimization, higher Token production efficiency, product standardization, and reuse of underlying capabilities. As this unified system-level capability stack serves more customers, users, and tasks, earlier investments made in technology and infrastructure are beginning to yield economies of scale.

- During the reporting period, we continued to improve operating efficiency alongside healthy growth in revenue and gross profit, with core operating losses narrowing further and significantly. Non-IFRS adjusted net loss was RMB385.9 million, narrowing at an accelerating pace of 67.3% YoY. Benefiting from the continued improvement in our core business performance, as well as a significant increase in the fair value of self-incubated companies under the "1+X" strategy and externally invested AI ecosystem companies, we recorded net profit of RMB617.3 million under IFRS in the first half of 2026. This marks our first IFRS profit since being publicly listed.

These results mark a key milestone – evidence that the commercial flywheel, powered by our system-level, end-to-end AI capabilities, is now beginning to turn and drive financial outcomes: customers and tasks continuously generate data and feedback that drive iteration in models, workflows, and product experience; improvements in model capability and Token production efficiency further lower task delivery costs, expand the boundaries of product application, and enable us to serve a broader base of enterprises, individuals, and OPCs. As value measurement gradually shifts from Token consumption towards Task delivery, we are driving a mutually reinforcing growth flywheel across technology capabilities, customer value, recurring revenue, and operating efficiency.

SYSTEM-LEVEL AI CAPABILITIES AND BUSINESS PERFORMANCE

The competitive focus in AI is shifting from single-point metrics like model parameters and Token costs, towards the ability to complete complex tasks and create measurable value. We are breaking through model capability boundaries with our native multimodal unified architecture, building system-level AI capabilities through multimodal and long-horizon agents, and driving our products and services to evolve from per-Token call pricing towards high-value task delivery.

ONE MODEL SYSTEM: CONTINUOUSLY PUSHING THE BOUNDARIES OF INTELLIGENCE WITH NATIVE MULTIMODAL AND LONG-HORIZON AGENTS

Our technology roadmap is clear and coherent: unifying understanding and generation, seamlessly connecting perception, reasoning, and execution, and ultimately driving the convergence of digital and physical intelligence. Our goal is not merely to build models that answer questions, but intelligent systems that can continuously act autonomously and complete tasks. Along this path, we have continuously iterated on the SenseNova multimodal foundation model series, achieving a series of important breakthroughs.

Native Unified Understanding and Generation: Laying the Foundation of Model Architecture

Earlier this year, we introduced the NEO-Unify native multimodal unified architecture, departing from the mainstream separate encoder-decoder architecture by processing text and images within a unified representation space, and driving multimodal AI to evolve from functional stitching towards native fusion. SenseNova U1, released in April, unified understanding, reasoning, and generation within a single model, validating the feasibility of this roadmap; the subsequently released U1.5 further seamlessly integrated visual understanding, reasoning, generation, and editing, validating the architecture's scalability.

In visual perception and reasoning, within a single model, SenseNova Vision unifies tasks such as structured visual understanding, dense geometric prediction, image segmentation, and multi-view 3D geometry, outperforming Google DeepMind's Vision Banana on the vast majority of metrics and matching, or even surpassing, specialized models across multiple core tasks. SenseNova U1.5-Lite scored 68.3 on the VBVR-Pro visual reasoning benchmark, surpassing Gemini 3 Pro's 56.4 and GPT Image 2's 50.7, demonstrating the potential of the unified architecture to extend towards general visual and spatial intelligence.

In controllable generation, the unified understanding and generation reduces information loss from cross-model transitions, enabling the U1 series to directly understand complex creative intent. U1.5-Lite achieves native 4K generation at a lightweight scale of just 8B-MoT, with overall performance matching Nano Banana 2; the model can precisely follow long-form, multi-constraint instructions to organize text, layout, and visual style, generate high-density complex infographics, and precisely modify specified content while keeping other parts and overall structure stable – driving image creation to evolve from one-off generation towards controllable, deliverable professional workflows.

Building on our native multimodal technology innovations, we have actively promoted the development of an open-source ecosystem, further expanding our technology influence. As of the date of this interim report, less than four months after the U1 series went open-source, the three projects – SenseNova U1, SenseNova Vision, and SenseNova Skills – have collectively received over 11,000 stars on GitHub.

Multimodal Long-Horizon Agents: Building System-Level High-Value Delivery Capabilities

Real-world work consists of diverse information, tools, and steps. We are driving the deep integration of native multimodal and long-horizon agents, building system-level AI capabilities that cover perception, planning, execution, verification, and delivery – upgrading AI from a "tool" that provides answers to a "deliverer" of end-to-end tasks. This capability has already been validated first in office productivity and content creation scenarios.

In office scenarios, SenseNova 6.8-Flash-Lite, a multimodal agent released in August, brings documents, charts, web pages, videos, and application interfaces into a single task trajectory, capable of spanning hundreds of steps over several hours and dynamically orchestrating over a dozen specialized sub-agents to autonomously complete workflows from information-collection and data-analysis to report and presentation-generation. In long-chain tasks such as information search, its Token consumption is on average approximately 60% lower than that of text-only agents; it achieved across-the-board improvements across six benchmarks covering agent execution, planning and reasoning, and multimodal content generation, and led DeepSeek-V4-Flash, Gemini 3.5 Flash, and GPT-5.6 Luna in office benchmarks such as ClawEval, ArtifactBench, and TeamBench – achieving simultaneous optimization of quality and delivery cost.

In content creation scenarios, SenseNova U1-Pro integrates intent understanding, creative reasoning, image generation, editing, and verification into a complete workflow through scaling and Agentic Generation. In third-party and customer evaluations, U1-Pro's overall generation quality matches GPT Image 2 and leads domestic multimodal models, with standout performance in dimensions such as creative reasoning and reliable text generation – driving AI to evolve from generating single images towards delivering professional content outcomes.

Across both scenarios, a closed loop of "architecture innovation – system capability – high-value delivery – application feedback" has begun to take shape. In the near future, we expect to release a larger-scale multimodal agent, SenseNova 6.8-Flash, further expanding capabilities in complex tasks and multi-agent collaboration. How AI value is measured will likewise shift from how many Tokens are consumed to whether tasks can be completed at lower cost, with higher quality, and with greater reliability.

Towards Physical AGI: Driving the Convergence of Digital and Physical Intelligence

System-level AI in the digital world is not the end goal. In the long term, AGI also needs to understand three-dimensional space and the laws of physics, perceive its environment, predict changes, and interact continuously – we define this goal as Physical AGI. Pursuing this long-term vision, we are extending accumulated expertise in native multimodal, long-horizon agents, and visual intelligence further into spatial understanding and physical interaction. Our SenseNova SI-8B model has achieved leading levels among open-source models of the same scale across eight spatial intelligence benchmarks, laying the foundation for models to understand spatial relationships and the three-dimensional world.

Building on this foundation, we are co-developing the Kairos world model with ecosystem partner Ace Robotics. The newly released Kairos 3.1 integrates understanding, generation, and prediction of the physical world within a unified architecture. Its 8B model achieves 125-millisecond inference latency at BF16 precision on an industry-leading platform, enabling real-time on-device operation on robots, and adapts to different robot forms through a "one brain, multiple forms" approach. Through real-world tasks, physical actions, and environmental feedback, we are exploring the formation of an R&D closed loop of "understand the world – simulate the future – drive actions – obtain feedback – iterate models," driving the unified multimodal model to gradually extend from digital intelligence towards physical intelligence.

ONE TOKEN FACTORY: UPGRADING FROM COMPUTE PROVISIONING TO SCALED INTELLIGENCE PRODUCTION

With foundation model training continuing to evolve, inference demand growing rapidly, and agents gradually entering real-world workflows, how the value of AI infrastructure is measured is shifting from pure compute scale to the ability to continuously, stably, and efficiently produce high-quality Tokens. At the same time, Tokens are not merely homogeneous compute outputs – their value depends on the intelligence level of the underlying model, as well as the accuracy, reliability, response efficiency, and unit cost.

SenseCore is evolving into a production-grade Token Factory. Through joint model-infrastructure optimization, as well as capabilities in model adaptation, inference optimization, heterogeneous scheduling, energy management, and global delivery, it not only expands Token output and lowers unit cost, but also continuously enhances the reasoning, understanding, generation, and execution capabilities that Tokens carry. As agents become capable of completing more complex long-horizon tasks, the Token Factory's long-term goal will likewise evolve from "producing Tokens" towards "completing tasks": the measurement of infrastructure efficiency will gradually extend from per-Token cost to the completion quality, success rate, and cost per task, while the measurement of commercial value will likewise gradually evolve from billing by Token usage towards pricing by tasks and delivered outcomes.

POWERING SENSENOVA FOUNDATION MODELS: ADVANCING TECHNICAL FRONTIERS AND LARGE-SCALE COMMERCIAL ADOPTION

We continue to upgrade SenseCore, focusing on the training, post-training, inference, and deployment of frontier language and multimodal models, with key breakthroughs in ultra-long-context parallel training, large-scale reinforcement learning acceleration, heterogeneous mixed inference, and domestic hardware/software adaptation:

- **Long-context Agent model training.** SenseCore leverages the interconnect and memory characteristics of advanced compute to implement sequence parallelism, topology-aware multi-dimensional parallel strategies, and compute-communication co-optimization, tripling training speed compared to pre-optimization levels.

- **RL post-training acceleration.** In the reinforcement learning post-training phase, SenseCore decouples training from Rollout tasks and leverages heterogeneous inference resources across both domestic and advanced compute to accelerate sample generation, further improving post-training efficiency.

- **Image and video generation efficiency.** For image and video generation, our proprietary LightX2V inference framework combines step-distillation technology with multi-level compute optimization, boosting generation efficiency by 6x and laying the foundation for large-scale commercial content generation and creation.

- **Model iteration and deployment acceleration.** Backed by a unified model R&D and deployment platform, SenseCore has compressed the journey for our models from R&D validation to large-scale deployment down to just one week.

While strengthening our internal system capabilities, we also actively promote collaboration between our in-house models and the upstream ecosystem. The open-source SenseNova U1 model has achieved Day 0 (launch day) adaptation with 10+ domestic chip manufacturers — ready the moment it goes open source, accelerating technology iteration and large-scale commercial use of our in-house models.

ADVANCING THE DOMESTIC COMPUTE ECOSYSTEM AND LARGE-SCALE COMMERCIAL ADOPTION

We are firmly committed to advancing the domestic compute ecosystem, continuously refining a full-stack adaptation system covering models, frameworks, operators, toolchains, and hardware, and conducting joint optimization with domestic chip and industry chain partners, to convert different types of compute into effective Token supply for real-world businesses. Through low-level operator optimization, multi-device parallel tuning, PD (Prefill/Decode) separation, and heterogeneous hybrid inference, we can achieve an MFU (Model Floating-point Utilization) on mainstream domestic chips of up to 2.5 times the manufacturer's baseline level, and have successfully validated the commercial value of domestic compute in scenarios including AI4S (AI for Science) and video generation, driving domestic compute to evolve from technical validation towards large-scale commercial services.

We are partnering with Hong Kong Science Park to build the largest domestic AI compute center in Hong Kong, targeting a compute scale of 40,000 PFLOPS by 2030 and establishing a self-reliant and controllable compute anchor point for the Greater Bay Area, Southern China. In addition, we have deployed the first overseas domestic compute cluster in Saudi Arabia, replicating China's leading AI infrastructure construction and operation experience overseas, and continuously expanding the global footprint of Token services.

CONTINUOUSLY REDUCING UNIT INTELLIGENCE COST THROUGH COMPUTE-ENERGY SYNERGY

We continue to integrate compute management, data center operations, and energy management systems, establishing a coordinated mechanism that spans from power load forecasting to compute scheduling and operations decision-making. During the reporting period, the Compute-Energy Synergy Agent achieved 96% load forecasting accuracy, and based on forecasting results, coordinated energy storage scheduling, data center operations and maintenance, and compute task allocation to continuously optimize data center Power Usage Effectiveness (PUE) and electricity consumption structure. These measures drove an approximately 8% reduction in average unit electricity cost, with cumulative electricity cost savings exceeding RMB12 million in the first half of 2026. Annual carbon reduction reaches 24,000 tons per 10,000 PFLOPS of compute, and the overall expected annual carbon reduction is on track for a step-change increase – several-fold higher than the 4,000 tons achieved in full-year 2025. While reducing energy costs and carbon emissions, compute-energy synergy also provides a replicable operational foundation for large-scale Token Factories to continuously reduce unit intelligence production costs.

RAPID GROWTH IN TOKEN SERVICES

As of the date of this interim report, the total compute scale under our operation reached 48,000 PFLOPS. In July 2026, SenseCore's daily average Token service volume exceeded 2.4 trillion, an approximately 22-fold increase year over year. In addition to serving the SenseNova foundation model, our Token Factory has provided services to four external foundation model providers, and – leveraging domestic heterogeneous inference and joint model-infrastructure optimization capabilities – has built differentiated service capabilities in high-complexity computing domains such as AI4S, video generation, embodied intelligence, and world models, as well as in city-level intelligent scenarios.

ONE AGENT HARNESS: DELIVERING COMPLETE TASKS TO ENTERPRISES AND INDIVIDUALS

For enterprise and individual users, we offer agent products in various forms, including office productivity, content generation, and intelligent interaction; while these products serve different users and scenarios, they are all underpinned by the same Agent Harness. This system connects the unified multimodal model with the Token Factory, converting model capabilities and compute into complete tasks that are executable, manageable, and deliverable. Specifically, the Agent Harness is responsible for understanding user goals, decomposing tasks, calling knowledge and tools, orchestrating workflows, and centrally managing identity and permissions, long-term memory, execution evaluation, audit tracing, and safety governance. Through diversified front-end products and unified back-end capabilities, we can rapidly reuse the same task delivery capability across different industries and user scenarios, shortening product development and project deployment cycles, and continuously improving the quality, reliability, and delivery efficiency of task completion.

ENTERPRISE AGENT SERVICES: DEEP INTO OFFICE AND CONTENT PRODUCTION WORKFLOWS, DELIVERING BUSINESS OUTCOMES

In the enterprise market, we integrate our unified AI agent capabilities into customer workflows through various delivery forms, including public cloud services, APIs, enterprise on-premise deployment, and FDE (Forward Deployed Engineer) services. In the first half of 2026, we served over 1,000 enterprise customers, with over 100 new customers added during the period. Our customers span over 20 key industries, including education, government, marketing, logistics, banking, and insurance.

Among these, Raccoon is our agent product built for office scenarios, and has served leading enterprises across industries including Lenovo, Ping An Technology, the three major telecom operators, JD.com, and Kylin Software. For example, through our partnership with Kylin Software, Raccoon has been integrated into the domestic operating system, connecting the operating system entry point, AI application distribution, and enterprise customer delivery chain; and through on-premise deployment in JD.com's supply chain business, Raccoon has built an end-to-end intelligent service system around actual workflows, validating its delivery capability in complex environments, high-security requirements, and mission-critical business systems.

In content production and creation, Seko has advanced from single-purpose generation to end-to-end delivery covering intent understanding, script creation, and storyboard production. Currently, Seko's daily video output reaches 10,000 minutes, with active users averaging over one hour of creation time per day, and it ranked first in per-capita visit duration on the web in the QbitAI AI Application Monthly Report for June 2026. Content created by Seko has accumulated an estimated 1.5 billion views across social media short-video platforms, with 10 short dramas each surpassing 100 million views. These figures demonstrate that Seko is evolving from a single-point video generation tool into a professional platform supporting continuous creation and large-scale content production, and the content it creates also demonstrates broad market reach potential.

As the barrier to AI adoption continues to fall and capabilities evolve from single-point Q&A to end-to-end task delivery, the user base of enterprise AI agents is also expanding beyond traditional enterprise customers to broader groups such as OPCs. In the first half of 2026, the Raccoon OPC Capability Challenge Season attracted over 650,000 participants, Raccoon's peak daily active users surpassed 700,000, and over 8,000 real-scenario creations were accumulated. Building on this, we are advancing the "Hundred Industries, Thousand Enterprises Co-construction Plan" ("百業千企共建計劃"), covering over 40 cities, and participating in the development of a nine-level OPC capability standard and a talent incubation center. The first batch of the Seko Industrial Base ("Seko 產業基地") has also attracted over 20 OPC startup teams to join, supporting micro teams to enter professional content production and commercialization chains by providing models, compute, creation tools, and industry resources. As a result, we are extending our unified agent capabilities from serving large organizations to a broader range of enterprises, teams, and individuals, continuously expanding the boundaries of AI productivity services.

PERSONAL ASSISTANTS: BRINGING ENTERPRISE-GRADE AI CAPABILITIES TO HELP USERS ACHIEVE A BETTER PERSONAL LIFE

In the consumer market, we have built the Kapi series – our Personal CXO product matrix of agent-powered personal assistants. Surpassing 45 million cumulative users, Kapi has evolved from single-point tools into proactive life agents spanning health, finance, and personal creation, helping users navigate everyday life with greater ease and confidence.

Kapi Cam, leveraging the powerful multimodal capabilities of the SenseNova foundation model, has launched an AI photography agent that proactively understands scenes and creative intent, helping users effortlessly capture better production. Kapi Money has undergone a complete revamp, launching a full-scenario financial agent that further addresses complex financial needs such as income and expense insights, budget planning, and multi-account management. Our new addition, Kapi Health, has quickly gained user recognition since its launch, with its retention rate reaching the leading level of comparable products.

We believe the value of personal agents should not stop at improving efficiency – it should also help users achieve personal goals and enjoy a better life experience. In the long term, we hope the Kapi series of personal assistant agents can become personal life assistants that truly understand users and provide continuous companionship.

FURTHER STRENGTHENING OUR LEADERSHIP IN THE COMPUTER VISION MARKET

Computer Vision is a cornerstone of our business – deeply embedded across industry verticals and overseas markets, and serving as a critical gateway for our system-level AI capabilities to integrate into customer workflows. During the reporting period, our Computer Vision business covered over 20 countries and regions, having cumulatively served over 4,500 customers domestically and overseas, with a recurring customer revenue contribution rate of 67% (meaning 67% of current-period revenue came from customers who made purchases in previous year), reflecting our long-established customer base, industry understanding, and large-scale delivery capability. Backed by our complete AI product and service portfolio, we grow with our customers – expanding from a single application to broader business workflows. We deliver unified multimodal models, agents, and compute services supporting use cases from analysis curation and internal training to digital content generation and cybersecurity optimization, continuously deepening and broadening customer service.

According to IDC's "China AI Software Market" report, we have ranked first in China's Computer Vision market for ten consecutive years. In July 2026, we were awarded the National Science and Technology Progress Award (Second-Class). The National Science and Technology Award, established by the State Council, is one of the highest-level and most authoritative national awards in China's science and technology innovation field, further reflecting our long-established technical strength and industry contribution in the visual intelligence domain.

ECOSYSTEM STRATEGY: CONNECTING DIGITAL AND PHYSICAL INTELLIGENCE

Guided by our long-term technology roadmap and industry collaboration priorities, we have consistently invested ahead of the curve in world models and embodied intelligence, intelligent terminals, smart healthcare, chips, and related domains. Our ecosystem companies include those incubated and nurtured in-house, as well as upstream and downstream ecosystem partners with whom we collaborate through strategic equity investments. These ecosystem companies provide us with real-world scenarios, industry feedback, productization capabilities, and commercialization channels, while we support ecosystem partners through our models, Token Factory, and engineering capabilities to shorten their R&D and deployment cycles – forming a mutually empowering industry network.

We take a deliberate approach to ecosystem building – selectively investing in and continuously nurturing areas characterized by long-term technological scarcity, scenario value, and scaling potential. We believe that in emerging fields with significant room for demand expansion, the maturation of high-quality supply not only meets existing demand but also lowers adoption barriers, expands application boundaries, and stimulates new market demand. As these ecosystem companies gradually complete the "0 to 1" phase of technology and product validation and move towards the "1 to 100" phase of large-scale commercial application, their industrial and commercial value is being progressively unlocked. During the reporting period, Ace Robotics, SenseCare, and other partners closed fresh rounds of institutional financing – a strong signal that capital markets and industry partners are increasingly backing their technology roadmaps, industry directions, and commercialization progress.

During the reporting period, a number of AI ecosystem companies in our strategic equity portfolio completed public listings. The fair value appreciation of these investments materially contributed to our first IFRS profit – a clear sign that the financial value of our ecosystem assets is beginning to crystallize. The long-term value of our ecosystem strategy goes well beyond investment returns. It positions us at the forefront of frontier domains – embodied intelligence, intelligent terminals, next-generation compute platforms – and creates a persistent pipeline of real-world tasks, data, and feedback that strengthens our unified multimodal models and system-level delivery capabilities. In turn, we are building a virtuous cycle where technology capabilities, industry scenarios, and ecosystem companies reinforce one another, aligning financial returns with strategic value.

STRATEGIC OUTLOOK

Looking ahead, AI will evolve from generating content and responding to commands towards understanding complex goals, continuously executing long-horizon tasks, and producing measurable actions and outcomes in both the digital and physical worlds. As capability boundaries continue to expand, competition in AI will likewise shift from individual models or products towards the deep system-level integration of models, Token production, Agent Harness, and real-world scenarios. We will continue to evolve our system-level AI capabilities around the "one model system, one Token Factory, one Agent Harness" framework, along the following directions:

- **Driving multimodal agents to continuously evolve through real-world tasks.** We will continue to advance the deep integration of native multimodal models and long-horizon agents, enhancing unified understanding, generation, and reasoning capabilities across text, images, video, spatial, and physical world information, with a focus on breakthroughs in complex task decomposition, long-horizon execution, autonomous tool orchestration, dynamic error correction, long-term memory, and multi-agent collaboration. Through data, execution results, and user feedback generated by real-world tasks, we will continuously feed back into model training, evaluation, and workflow optimization, gradually forming an R&D closed loop of "model improvement – task delivery – feedback accumulation – model re-evolution."

- **Driving the Token Factory to evolve from scaled intelligence production towards Task delivery.** We will continue to deepen the large-scale commercialization of domestic compute, heterogeneous inference optimization, and compute-energy synergy, significantly lowering the production cost of high-quality Tokens and enhancing the reasoning, understanding, generation, and action capabilities they carry. As agents become capable of handling more complex long-horizon tasks, the efficiency measurement of the Token Factory will gradually extend from per-Token cost to the completion quality, success rate, and cost per task, while the measurement of commercial value will likewise gradually evolve from billing by Token usage towards pricing by tasks and delivered outcomes.

- **Driving multi-agent collaboration deeper into personal and enterprise workflows.** We will continue to refine the Agent Harness, enabling multiple agents with different capabilities and specializations to share context, collaborate on planning, cross-validate each other, and jointly complete complex tasks. Through diverse product forms including work, content, interaction, and industry agents, as well as FDE and accumulated industry knowledge, we will drive AI to evolve from single-point tools and capability demonstrations towards systematic delivery covering "understanding – planning – execution – validation – delivery," providing complete, reliable, and sustainable productivity for enterprises, individuals, and OPCs.

These directions converge on our core judgment for the next phase of AI: beyond raising the ceiling of model intelligence, the AI of the future must enter more scenarios at lower cost, orchestrating complex tasks, and continuously learning and evolving from real-world outcomes. We will leverage the synergistic advantages of the "one model system, one Token Factory, one Agent Harness" framework, connecting tasks, actions, and feedback across the digital and physical worlds, continuously expanding the audience and application boundaries of AI capabilities, and driving technology capabilities, customer value, and business growth to form a self-reinforcing long-term cycle.

Management Discussion and Analysis

Six months ended June 30, 2026 compared to six months ended June 30, 2025

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

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**2,910,946**	2,358,198
Cost of sales	**(1,704,710)**	(1,450,398)
Gross profit	**1,206,236**	907,800
Selling expenses	**(270,933)**	(272,285)
Administrative expenses	**(517,995)**	(597,033)
Research and development expenses	**(1,755,585)**	(2,118,533)
Net impairment gains/(losses) on financial assets and contract assets	**35,178**	(142,732)
Other income	**120,799**	128,974
Other gains – net	**2,127,455**	640,616
Operating profit/(loss)	**945,155**	(1,453,193)
Finance income	**99,343**	128,124
Finance costs	**(81,392)**	(96,379)
Finance income – net	**17,951**	31,745
Share of losses of investments accounted for using the equity method	**(269,751)**	(13,212)
Fair value losses of preferred shares	**(20,063)**	(18,623)
Profit/(Loss) before income tax	**673,292**	(1,453,283)
Income tax expenses	**(55,984)**	(35,987)
Profit/(Loss) for the period	**617,308**	(1,489,270)
Profit/(Loss) is attributable to:		
Equity holders of the Company	**607,420**	(1,477,949)
Non-controlling interests	**9,888**	(11,321)
	617,308	(1,489,270)
Non-IFRS measures:		
Adjusted EBITDA	**384,855**	(540,339)
Adjusted net losses	**(385,898)**	(1,181,917)

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Revenue

Our revenue increased by 23.4% to RMB2,910.9 million in the six months ended June 30, 2026, compared to RMB2,358.2 million in the six months ended June 30, 2025, primarily driven by continued expansion of Generative AI. The following table sets out a breakdown of our revenue streams in absolute amounts and as percentages of our total revenue for the years indicated:

	Six months ended June 30,			
	2026 RMB million (Unaudited)	**%**	2025 RMB million (Unaudited)	%
Generative AI	**2,327.2**	**79.9**	1,815.5	77.0
Computer Vision	**496.8**	**17.1**	436.0	18.5
X Businesses	**86.9**	**3.0**	106.7	4.5
Total	**2,910.9**	**100.0**	2,358.2	100.0

Our Generative AI revenue increased by 28.2% to RMB2,327.2 million in the six months ended June 30, 2026, compared to RMB1,815.5 million in the six months ended June 30, 2025 since market continues to expand steadily, underpinned by rising demand for AI agents and cloud services.

Our Computer Vision revenue increased by 13.9% to RMB496.8 million in the six months ended June 30, 2026, compared to RMB436.0 million in the six months ended June 30, 2025. Benefiting from domestic demand recovery and sustained growth in overseas markets, computer vision is entering a second growth phase through multimodal vision agents.

Our X Businesses revenue decreased by 18.6% to RMB86.9 million in the six months ended June 30, 2026, compared to RMB106.7 million in the six months ended June 30, 2025 due to deconsolidation of some X Businesses. Over time, we would expect our X Business composition to evolve as we incubate more X Businesses or as existing X Businesses attract external investors and become deconsolidated from our financial statements. As a result, year-over-year comparison will become less meaningful going forward for this particular revenue line.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Cost of Sales

Our cost of sales increased by 17.5% from RMB1,450.4 million in the six months ended June 30, 2025 to RMB1,704.7 million in the six months ended June 30, 2026. The following table sets out a breakdown of our cost of sales by nature in absolute amounts and as percentages of our cost of sales for the years indicated:

	Six months ended June 30,			
	2026 RMB million (Unaudited)	**%**	2025 RMB million (Unaudited)	%
Hardware costs and subcontracting service fees	**1,152.4**	**67.6**	1,244.8	85.7
Depreciation and amortization	**296.5**	**17.4**	87.5	6.0
AIDC operation costs	**232.7**	**13.7**	79.8	5.5
Employee benefit expenses	**15.9**	**0.9**	30.0	2.1
Other expenses	**7.2**	**0.4**	8.3	0.7
Total	**1,704.7**	**100.0**	1,450.4	100.0

The increase in cost of sales was primarily attributable to the increase in AIDC-related depreciation and operational costs, which grew faster than total cost of sales due to our continued expansion of generative AI-related services.

Gross Profit and Gross Margin

Our gross profit increased by 32.9% from RMB907.8 million in the six months ended June 30, 2025 to RMB1,206.2 million in the six months ended June 30, 2026, outpacing revenue growth rate for the same period. Our gross margin increased from 38.5% in the six months ended June 30, 2025 to 41.4% in the six months ended June 30, 2026, mainly due to the contribution of Generative AI business.

Research and Development Expenses

Our research and development expenses decreased by 17.1% from RMB2,118.5 million in the six months ended June 30, 2025 to RMB1,755.6 million in the six months ended June 30, 2026, primarily due to the decrease of employee benefit expenses.

Selling Expenses

Our selling expenses slightly decreased by 0.5% from RMB272.3 million in the six months ended June 30, 2025 to RMB270.9 million in the six months ended June 30, 2026, primarily due to the decrease of employee benefit expenses partially offset by the increase of marketing and travelling expenses.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Administrative Expenses

Our administrative expenses decreased by 13.2% from RMB597.0 million in the six months ended June 30, 2025 to RMB518.0 million in the six months ended June 30, 2026, primarily due to decline in workplace operational costs, including depreciation and amortization, rental fees, property management and administrative expenses.

Net Impairment Gains/(Losses) on Financial Assets and Contract Assets

Our net impairment losses on financial assets of RMB142.7 million in the six months ended June 30, 2025 have reversed into net gains amounting to RMB35.2 million in the six months ended June 30, 2026. This favorable turnaround is primarily attributable to our ongoing disciplined efforts in collecting outstanding trade receivables.

Other Income

Our other income decreased by 6.4% from RMB129.0 million in the six months ended June 30, 2025 to RMB120.8 million in the six months ended June 30, 2026 primarily due to a slight decrease in government grants.

Other Gains – Net

We had net other gains of RMB2,127.5 million in the six months ended June 30, 2026 compared to RMB640.6 million in the six months ended June 30, 2025. The net other gains in the six months ended June 30, 2026 primarily consist of gains on disposal of subsidiaries amounting to RMB521.0 million and net fair value unrealized gains on financial assets at fair value through profit or loss amounting to RMB1,248.7 million after offset by net asset value of investment funds attributable to limited partners.

Finance Income – Net

Net finance income decreased by 43.2% from RMB31.7 million in the six months ended June 30, 2025 to RMB18.0 million in the six months ended June 30, 2026 primarily due to slight decrease in net interest income.

Fair Value Losses of Preferred Shares

Fair value losses of preferred shares increased from RMB18.6 million in the six months ended June 30, 2025 to RMB20.1 million in the six months ended June 30, 2026 resulting from changes in the fair value change of preferred shares issued by a subsidiary of the Company.

Income Tax Expenses

We had income tax expenses of RMB56.0 million in the six months ended June 30, 2026 compared to RMB36.0 million in the six months ended June 30, 2025 primarily attributable to enhanced profitability.

Profit/(Loss) for the Period

As a result of the foregoing, we had a profit of RMB617.3 million in the six months ended June 30, 2026, compared with a loss of RMB1,489.3 million in the six months ended June 30, 2025. The turnaround from a net loss to net profit this year was primarily driven by a combination of factors, including improved revenue and gross profit performance, effective control and reduction of operating cost, and fair value increase of our various strategic investments.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Non-IFRS Measures

To supplement our consolidated results which are prepared and presented in accordance with IFRS, we also use EBITDA/adjusted EBITDA and adjusted net loss as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance such as certain non-cash items and certain impact of financing and investment activities. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the EBITDA/adjusted EBITDA and adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

The following table sets out EBITDA/adjusted EBITDA and a reconciliation from profit/(loss) before income tax for the periods to EBITDA/adjusted EBITDA for the periods indicated:

	Six months ended June 30,	
	2026 RMB million (Unaudited)	2025 RMB million (Unaudited)
Profit/(Loss) before income tax	**673.3**	(1,453.3)
Add:		
Finance income, net	**(18.0)**	(31.7)
Depreciation and amortization	**732.7**	637.3
EBITDA	**1,388.1**	(847.7)
Add:		
Fair value losses of preferred shares	**20.1**	18.6
Share-based compensation expenses	**225.4**	153.3
Fair value unrealized (gains)/losses on financial assets at fair value through profit or loss	**(4,446.3)**	155.3
Net asset value of investment funds attributable to limited partners	**3,197.6**	(19.8)
Adjusted EBITDA	**384.9**	(540.3)

Six months ended June 30, 2026 compared to six months ended June 30, 2025

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

	Six months ended June 30,	
	2026 RMB million (Unaudited)	2025 RMB million (Unaudited)
Net profit/(losses) for the period	**617.3**	(1,489.3)
Add:		
Fair value losses of preferred shares	**20.1**	18.6
Share-based compensation expenses	**225.4**	153.3
Fair value unrealized (gains)/losses on financial assets at fair value through profit or loss	**(4,446.3)**	155.3
Net asset value of investment funds attributable to limited partners	**3,197.6**	(19.8)
Adjusted net losses	**(385.9)**	(1,181.9)

Trade, Other Receivables and Prepayments

Our trade, other receivables and prepayments increased from RMB4,304.1 million as of December 31, 2025 to RMB5,290.8 million as of June 30, 2026, which primarily comprise trade receivables and other receivables.

Trade Receivables

The following table sets out a breakdown of our trade receivables as of the dates indicated:

	As at June 30, 2026 RMB million (Unaudited)	As at December 31, 2025 RMB million
Trade receivables		
– Due from related parties	**355.9**	368.5
– Due from third parties	**6,683.5**	5,526.9
Provision for impairment	**(3,276.5)**	(3,384.9)
Total	**3,762.9**	2,510.4

Our net trade receivables increased as of June 30, 2026, compared to that of December 31, 2025.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Trade receivables' aging analysis based on date of revenue recognition is as follows:

	As at June 30, 2026 RMB million (Unaudited)	As at December 31, 2025 RMB million
Up to 6 months	**2,165.9**	1,896.2
6 months to 1 year	**1,233.6**	309.7
1 to 2 years	**261.7**	235.1
2 to 3 years	**116.9**	118.7
More than 3 years	**3,261.3**	3,335.6
	7,039.4	5,895.3

LIQUIDITY AND FINANCIAL RESOURCES

We have historically funded our cash requirements principally from capital contribution from shareholders. We had cash and cash equivalents of RMB9,877.2 million and term deposits of RMB3,124.0 million as of June 30, 2026, compared to the balance of RMB10,887.1 million and RMB2,282.7 million as of December 31, 2025. As of June 30, 2026, our cash and cash equivalents were mainly denominated in USD.

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

	Six months ended June 30,	
	2026 RMB million (Unaudited)	2025 RMB million (Unaudited)
Net cash used in operating activities	**(763.7)**	(639.5)
Net cash (used in)/generated from investing activities	**(3,744.9)**	699.7
Net cash generated from financing activities	**3,668.8**	2,158.0
Net (decrease)/increase in cash and cash equivalents	**(839.8)**	2,218.2
Cash and cash equivalents at the beginning of the year	**10,887.1**	8,888.0
Exchange changes on cash and cash equivalents	**(170.0)**	62.2
Cash and cash equivalents at the end of the period	**9,877.2**	11,168.4

Net Cash Used in Operating Activities

Net cash used in operating activities represents the cash used in our operations plus the income tax paid. Cash used in our operations primarily comprises our loss before income tax adjusted by non-cash items and changes in working capital.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

For the six months ended June 30, 2026, net cash used in operating activities was RMB763.7 million, which was primarily attributable to our loss before income tax, as adjusted by (i) depreciation and amortization, fair value gains on financial assets at fair value through profit or loss, provision for impairment of financial assets and contract assets and gains on disposal of subsidiaries; and (ii) changes in operating assets and liabilities. Net cash used in operating activities increased during the period as the reduction in operating losses was offset by an increase in working capital requirements, primarily due to a higher trade receivables balance resulting from, among other factors, the timing of customer collections.

Net Cash (Used in)/Generated from Investing Activities

For the six months ended June 30, 2026, net cash used in investing activities was RMB3,744.9 million, which was mainly attributable to purchase of property, plant and equipment and acquisition of investments in financial assets at fair value through profit and loss.

Net Cash Generated from Financing Activities

For the six months ended June 30, 2026, net cash generated from financing activities was RMB3,668.8 million, which was mainly attributable to net proceeds from placing ordinary shares and capital injection by limited partners of investment fund controlled by the Group.

Borrowings

As of December 31, 2025 and June 30, 2026, we had total borrowings of RMB5,724.6 million and RMB6,076.4 million, respectively. As of June 30, 2026, our borrowings were mainly denominated in RMB. Repayment analysis and the currency denomination of bank borrowings of the Group as at June 30, 2026 are set out in note 15 to the consolidated financial statements.

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

Exposure to Exchange Rate Fluctuation

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective Group entities' functional currency. The Company's functional currency is USD. The Company's primary subsidiaries were incorporated in Mainland China, Hong Kong, Singapore and Middle East. These subsidiaries considered RMB, HKD, SGD and SAR as their functional currencies, respectively.

We are primarily exposed to fluctuations in the HKD/RMB and HKD/USD exchange rates. We did not engage in hedging activities designed and intended to manage foreign exchange rate risk as of June 30, 2026. However, we will continue to monitor foreign exchange rate movements and will take necessary measures to mitigate the impact of exchange rate fluctuations.

Employees, Training and Remuneration Policies

As at June 30, 2026, the Group had 2,668 employees. The number of employees employed by the Group varies from time to time depending on needs.

The Group formulates the remuneration package for its employees based on the overall remuneration standard in the market, industry practice and the Group's remuneration strategy. In addition to salary, in-house training programmes and employee benefits, employees may receive year-end performance incentives depending on their individual performance, which includes cash incentives or share options.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Use of Proceeds from Placing of Class B Shares under General Mandate

December 2025 Placing

On December 18, 2025, the Company entered into a placing agreement (the "**December 2025 Placing Agreement**") with Guotai Junan Securities (Hong Kong) Limited and CMB International Capital Limited in relation to the placing of 1,750,000,000 new Class B Shares (the "**December 2025 Placing Shares**") at HK$1.80 per December 2025 Placing Share (the "**December 2025 Placing Price**") to not less than six placees who and whose ultimate beneficial owner(s) (where applicable) shall be independent third parties (the "**December 2025 Placing**"). All the conditions set out in the December 2025 Placing Agreement were fulfilled and the December 2025 Placing was completed on December 29, 2025, where a total of 1,750,000,000 new Class B Shares (with an aggregate nominal value of US$43.75), representing approximately 4.40% of the number of the then issued Class B Shares and approximately 4.33% of the number of the then existing issued Shares as enlarged by the allotment and issue of such placing shares, have been successfully placed to no fewer than six independent placees (which were individual, professional, corporate and/or institutional investors) at the placing price of HK$1.80 pursuant to the terms and conditions of the December 2025 Placing Agreement. The closing price of the Class B Share as quoted on the Stock Exchange on December 17, 2025, being the date on which the December 2025 Placing Price was fixed, was HK$1.97. For details, please refer to the announcements of the Company dated December 18, 2025 and December 29, 2025 respectively.

The Directors considered that the December 2025 Placing represents a suitable financing option for the Company to raise further funding to support the Group's continuous development and business growth taking into account the then recent market conditions, which is in the interest of the Company and its Shareholders as a whole.

The net proceeds from the December 2025 Placing, after deducting the placing commission and other relevant costs and expenses of the December 2025 Placing, amounted to approximately HK$3,146 million, representing a net issue price of approximately HK$1.80 per December 2025 Placing Shares. The Company intends to use the net proceeds to support its core business development, which includes building an industry-leading AI Cloud and expanding its AI infrastructure (SenseCore) with increased adoption of domestic chips; funding the R&D and commercialization of Generative AI and its Multimodality Large Model; exploring AI integration in innovative vertical fields such as finance, education and marketing, and for general working capital purposes covering operating costs, talent development, branding and sales initiatives. As at June 30, 2026, all of such net proceeds had been utilised by the Group.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Details of the use of proceeds are set out as follows:

Intended purposes of placing net proceeds	Planned proportion of the net proceeds (%)	Planned use of the net proceeds (Approximately HK$ million)	Actual use of net proceeds during the Reporting Period (Approximately HK$ million)	Net proceeds unused as of June 30, 2026 (Approximately HK$ million)	Expected timeline for fully utilising the net proceeds
Supporting the development of the Company's core business	30.0	943.7	943.7	–	NA
Supporting the R&D of Generative AI, productization of the Company's Multimodality Large Model	30.0	943.7	943.7	–	NA
Exploring the integration and application of AI in innovative fields	20.0	629.1	629.1	–	NA
General working capital	20.0	629.1	629.1	–	NA
Total	**100.0**	**3,145.7**	**3,145.7**	**–**	

April 2026 Placing

On April 16, 2026, the Company entered into a placing agreement (the "**April 2026 Placing Agreement**") with The Hongkong and Shanghai Banking Corporation Limited, in relation to the placing of 1,700,000,000 new Class B Shares (the "**April 2026 Placing Shares**") at HK$1.91 per April 2026 Placing Share (the "**April 2026 Placing Price**") to not less than six placees who and whose ultimate beneficial owner(s) (where applicable) shall be independent third parties (the "**April 2026 Placing**"). All the conditions set out in the April 2026 Placing Agreement were fulfilled and the April 2026 Placing Agreement was completed on April 24, 2026, where total of 1,700,000,000 new Class B Shares (with an aggregate nominal value of US$42.50) representing approximately 4.25% of the then number of issued Class B Shares completion of the April 2026 Placing Agreement and approximately 4.03% of the number of then existing issued Shares as enlarged by the allotment and issue of the April 2026 Placing Shares. The closing price of the Class B Shares as quoted on the Stock Exchange on April 16, 2026, being the date on which the April 2026 Placing Price was fixed, was HK$2.09 per Class B Shares. For details, please refer to the announcements of the Company dated April 17, 2026 and April 21, 2026 respectively.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

The Directors considered that the April 2026 Placing represents a suitable financing option for the Company to raise further funding to support the Group's continuous development and business growth taking into account the then recent market conditions, which is in the interest of the Company and its Shareholders as a whole.

The net proceeds from the April 2026 Placing, after deducting the placing commission and other relevant costs and expenses of the April 2026 Placing, amounted to approximately HK$3,230 million, representing a net issue price of approximately HK$1.90 per April 2026 Placing Shares. The Company intends to use the net proceeds to expand the scale of SenseCore, the Company's AI infrastructure, with focus on the scaling up of the domestic AI supercomputing clusters empowered by domestic chips, as well as to enhance the offerings of our domestic AI cloud stack, providing infrastructure for AI token plan; support the Company's R&D of Generative AI, with a core focus on the continuous innovation of our SenseNova model series so as to lead globally, including but not limited to the development of our native multimodality large model built on the proprietary NEO architecture, as well as to scale up the offerings of our AI tokens plan to realize commercialization; explore the innovative integration and application of AI technology in vertical scenarios, including but not limited to embedding native AI into education, software as a service, software embedded hardware, and for general working capital.

Details of the use of proceeds are set out as follows:

Intended purposes of placing net proceeds	Planned proportion of the net proceeds (%)	Planned use of the net proceeds (Approximately HK$ million)	Actual use of net proceeds during the Reporting Period (Approximately HK$ million)	Net proceeds unused as of June 30, 2026 (Approximately HK$ million)	Expected timeline for fully utilising the net proceeds
Expand the scale of SenseCore, the Company's AI infrastructure	40.0	1,291.9	1,291.9	–	NA
Supporting the R&D of Generative AI	30.0	968.9	534.2	434.7	December 31, 2026
Exploring the innovative integration and application of AI technology in vertical scenarios	20.0	646.0	646.0	–	NA
General working capital	10.0	323.0	161.0	162.0	December 31, 2026
Total	**100.0**	**3,229.8**	**2,633.1**	**596.7**	

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Gearing Ratio

As of June 30, 2026, our gearing ratio was -8.6%, which represented a net cash position. Our gearing ratio is calculated as net debt divided by total capital at the end of each financial year. Net debt equals to our total borrowings, lease liabilities and preferred share liabilities less our cash and cash equivalents. Total capital is calculated as total equity plus net debt.

Contingent Liabilities

As of June 30, 2026, we did not have any material contingent liabilities.

Significant Investments Held

As of June 30, 2026, we did not hold any significant investments in the equity interest of other companies.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

For the six months ended June 30, 2026, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Pledge of Assets

As of June 30, 2026, we pledged certain equipments, buildings and land use rights with carrying amount of RMB4,042.3 million for borrowings.

Future Plans for Material Investments and Capital Assets

As of June 30, 2026, we have no specific future plan for material investments and acquisition of capital assets. The Group will continue to identify new investment opportunities in companies with principal businesses related to the Group's core business with a view to create synergies with the Group's existing core business and improve the Group's service and products to its customers.

EVENTS AFTER THE REPORTING PERIOD

Save as otherwise disclosed in this interim report, there were no other significant events that may affect the Group since the end of the Reporting Period.

Report on Review of Interim Financial Information

To the Board of Directors of SenseTime Group Inc.
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 29 to 96, which comprises the interim condensed consolidated balance sheet of SenseTime Group Inc. (the "Company") and its subsidiaries (together, the "Group") as at June 30, 2026 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, August 26, 2026

Interim Condensed Consolidated Income Statement

For the Six Months Ended June 30, 2026

	Notes	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	5(a), 6	**2,910,946**	2,358,198
Cost of sales	7	**(1,704,710)**	(1,450,398)
Gross profit		**1,206,236**	907,800
Selling expenses	7	**(270,933)**	(272,285)
Administrative expenses	7	**(517,995)**	(597,033)
Research and development expenses	7	**(1,755,585)**	(2,118,533)
Net impairment gains/(losses) on financial assets and contract assets		**35,178**	(142,732)
Other income	8	**120,799**	128,974
Other gains – net	9	**2,127,455**	640,616
Operating profit/(loss)		**945,155**	(1,453,193)
Finance income	10	**99,343**	128,124
Finance costs	10	**(81,392)**	(96,379)
Finance income – net	10	**17,951**	31,745
Share of losses of investments accounted for using the equity method		**(269,751)**	(13,212)
Fair value losses of preferred shares	28(d)	**(20,063)**	(18,623)
Profit/(loss) before income tax		**673,292**	(1,453,283)
Income tax expenses	11	**(55,984)**	(35,987)
Profit/(loss) for the period		**617,308**	(1,489,270)
Profit/(loss) is attributable to:			
Equity holders of the Company		**607,420**	(1,477,949)
Non-controlling interests		**9,888**	(11,321)
		617,308	(1,489,270)
Earnings/(losses) per share for profit/(loss) attributable to equity holders of the Company			
Basic and diluted earnings/(losses) per share (RMB)	12	**0.01**	(0.04)

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

Interim Condensed Consolidated Statement of Comprehensive Income

For the Six Months Ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	**617,308**	(1,489,270)
Other comprehensive (loss)/income		
Item that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**1,187,925**	336,717
Item that will not be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**(1,691,815)**	(206,859)
Revaluation gains upon transfer from property, plant and equipment to investment properties	**–**	3,558
Effects of changes in credit risk for financial liabilities designated as at fair value through profit or loss (Note 28(d))	**(4,633)**	(3,848)
Other comprehensive (loss)/income for the period, net of taxes	**(508,523)**	129,568
Total comprehensive income/(loss) for the period	**108,785**	(1,359,702)
Total comprehensive income/(loss) for the period is attributable to:		
Equity holders of the Company	**98,927**	(1,348,381)
Non-controlling interests	**9,858**	(11,321)
	108,785	(1,359,702)

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

Interim Condensed Consolidated Balance Sheet

As at June 30, 2026

	Notes	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	14	**7,817,212**	5,883,256
Right-of-use assets	15	**232,161**	282,692
Investment properties	16	**2,507,845**	2,512,134
Intangible assets	17	**114,885**	121,279
Contract assets	6(c)	**11,525**	15,791
Investments accounted for using the equity method		**1,504,694**	1,426,743
Deferred income tax assets	19	**658,544**	654,554
Financial assets at fair value through profit or loss	23	**12,780,648**	7,510,261
Long-term receivables	22	**38,879**	35,118
Restricted cash	25	**27,846**	21,601
Other non-current assets	18	**1,333,006**	1,658,231
		27,027,245	20,121,660
Current assets			
Inventories	20	**410,748**	248,115
Contract assets	6(c)	**2,728**	3,230
Trade, other receivables and prepayments	21	**5,290,769**	4,304,083
Financial assets at fair value through profit or loss	23	**741,776**	571,969
Derivative financial instrument	24	**–**	3,097
Restricted cash	25	**74,008**	483,707
Term deposits	25	**3,124,021**	2,282,664
Cash and cash equivalents	25	**9,877,244**	10,887,050
		19,521,294	18,783,915
Total assets		**46,548,539**	38,905,575
Equity			
Equity attributable to equity holders of the Company			
Share capital	26	**7**	7
Other reserves	27	**84,767,221**	81,472,449
Currency translation reserves		**3,421,123**	3,924,983
Accumulated losses		**(58,071,060)**	(58,678,480)
		30,117,291	26,718,959
Non-controlling interests		**144,302**	341,944
Total equity		**30,261,593**	27,060,903

As at June 30, 2026

	Notes	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Liabilities			
Non-current liabilities			
Borrowings	31	**3,814,128**	3,710,335
Lease liabilities	15	**146,376**	176,010
Deferred income tax liabilities	19	**10,352**	16,758
Contract liabilities	6(d)	**34,257**	39,361
Deferred revenue		**217,573**	209,500
Other financial liabilities	28	**5,467,735**	1,959,550
		9,690,421	6,111,514
Current liabilities			
Borrowings	31	**2,262,316**	2,014,250
Trade and other payables	30	**2,601,507**	2,090,358
Lease liabilities	15	**58,387**	62,358
Contract liabilities	6(d)	**316,280**	228,914
Deferred revenue		**82,830**	84,681
Current income tax liabilities		**63,412**	27,217
Preferred share liabilities	28	**1,211,793**	1,225,380
		6,596,525	5,733,158
Total liabilities		**16,286,946**	11,844,672
Total equity and liabilities		**46,548,539**	38,905,575

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

On behalf of the Board

Director
XU Li

Director
WANG Zheng

Interim Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended June 30, 2026

	Notes	Equity attributable to equity holders of the Company						
		Share capital RMB'000	Other reserves RMB'000	Currency translation reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
(Unaudited)								
As at January 1, 2026		7	81,472,449	3,924,983	(58,678,480)	26,718,959	341,944	27,060,903
Comprehensive loss								
Profit for the period		–	–	–	607,420	607,420	9,888	617,308
Effects of changes in credit risk for financial liabilities designated as at fair value through profit or loss	28(d)	–	(4,633)	–	–	(4,633)	–	(4,633)
Exchange differences on translation of foreign operations		–	–	(503,860)	–	(503,860)	(30)	(503,890)
Total comprehensive loss		–	(4,633)	(503,860)	607,420	98,927	9,858	108,785
Transactions with equity holders								
Placing of ordinary shares	27	*	2,831,055	–	–	2,831,055	–	2,831,055
Treasury shares issued to employees	27	–	35,474	–	–	35,474	–	35,474
Transactions with non-controlling interests	27	–	257,500	–	–	257,500	(257,500)	–
Recognition of financial instruments with preferred rights at amortised cost	28(c)	–	(50,000)	–	–	(50,000)	50,000	–
Share-based compensation expenses	7, 29(c)	–	225,376	–	–	225,376	–	225,376
Total transactions with equity holders		–	3,299,405	–	–	3,299,405	(207,500)	3,091,905
As at June 30, 2026		7	84,767,221	3,421,123	(58,071,060)	30,117,291	144,302	30,261,593

For the Six Months Ended June 30, 2026

		Equity attributable to equity holders of the Company						
	Notes	Share capital RMB'000	Other reserves RMB'000	Currency translation reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
(Unaudited)								
As at January 1, 2025		6	76,069,902	4,303,417	(56,912,551)	23,460,774	180,931	23,641,705
Comprehensive loss								
Loss for the period		–	–	–	(1,477,949)	(1,477,949)	(11,321)	(1,489,270)
Effects of changes in credit risk for financial liabilities designated as at fair value through profit or loss	28(d)	–	(3,848)	–	–	(3,848)	–	(3,848)
Revaluation gains upon transfer from property, plant and equipment to investment properties		–	3,558	–	–	3,558	–	3,558
Exchange differences on translation of foreign operations		–	–	129,858	–	129,858	–	129,858
Total comprehensive loss		–	(290)	129,858	(1,477,949)	(1,348,381)	(11,321)	(1,359,702)
Transactions with equity holders								
Treasury shares issued to employees	27	–	35,552	–	–	35,552	–	35,552
Transactions with non-controlling interests	27	–	40,000	–	–	40,000	(40,000)	–
Recognition of financial instruments with preferred rights at amortised cost	28(c)	–	(62,500)	–	–	(62,500)	62,500	–
Share-based compensation expenses	7, 29(c)	–	153,250	–	–	153,250	–	153,250
Total transactions with equity holders		–	166,302	–	–	166,302	22,500	188,802
As at June 30, 2025		6	76,235,914	4,433,275	(58,390,500)	22,278,695	192,110	22,470,805

* represents that the amount is less than RMB1,000 for the period.

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

Interim Condensed Consolidated Statement of Cash Flows

For the Six Months Ended June 30, 2026

	Notes	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash used in operations		**(734,461)**	(628,372)
Income tax paid		**(29,270)**	(11,113)
Net cash used in operating activities		**(763,731)**	(639,485)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(2,292,070)**	(1,389,008)
Purchase of intangible assets		**(44,993)**	(70,932)
Proceeds from disposal of property, plant and equipment		**113,874**	240,871
Net cash outflow from disposal of subsidiaries		**(130,099)**	(138,542)
Increase in investments accounted for using the equity method		**(27,500)**	(4,250)
Dividend received from financial assets at fair value through profit and loss	8	**7,322**	6,789
Acquisition of debt and equity investments	23(a), (b)	**(1,386,885)**	(244,950)
Acquisition of wealth management products	23(c)	**(6,873,206)**	(6,788,000)
Disposal of debt and equity investments	23(a), (b)	**428,549**	341,044
Redemption of wealth management products and derivative financial instruments	23(c)	**6,722,740**	5,655,073
Net (increase)/decrease in investments in term deposits		**(872,085)**	2,936,461
Decrease in restricted cash for derivative instruments		**351,447**	–
Proceeds from disposal of associates		**174,488**	3,536
Interest received from banks		**83,488**	151,578
Net cash (used in)/generated from investing activities		**(3,744,930)**	699,670

For the Six Months Ended June 30, 2026

		Six months ended June 30,	
	Notes	**2026**	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cash flows from financing activities			
Proceeds from borrowings		**1,734,305**	3,882,748
Repayments of borrowings		**(1,382,104)**	(1,633,071)
Interest paid		**(71,160)**	(89,736)
Distribution to limited partners		**(78,488)**	–
Principal elements of lease payments		**(22,794)**	(66,743)
Interests elements of lease payments		**(3,704)**	(5,189)
Capital injection by limited partners of investment fund controlled by the Group	28(b)	**597,857**	–
Capital injection by non-controlling shareholder	28(c)	**50,000**	62,500
Net proceeds from placing of ordinary shares		**2,831,055**	–
Proceeds from exercise of share options		**13,849**	7,522
Net cash generated from financing activities		**3,668,816**	2,158,031
Net (decrease)/increase in cash and cash equivalents		**(839,845)**	2,218,216
Cash and cash equivalents at beginning of period		**10,887,050**	8,887,988
Effect of foreign exchange rates changes		**(169,961)**	62,171
Cash and cash equivalents at end of period		**9,877,244**	11,168,375

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

Notes to the Interim Condensed Consolidated Financial Information

For the Six Months Ended June 30, 2026

1 GENERAL INFORMATION

SenseTime Group Inc. (the "**Company**") was incorporated in the Cayman Islands on October 15, 2014 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Vistra (Cayman) Limited, of P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the "**Group**"), including the structured entities (collectively, the "**Group**"), are the sale of advanced artificial intelligence ("**AI**") software, sale of AI software platform and related services, sale of software-embedded hardware and related services, AIDC service as well as research and development activities in relation to AI technology mainly in the People's Republic of China (the "**PRC**"), Northeast Asia, Southeast Asia and other geographical areas.

The Company is a leading AI software company with customers across a broad spectrum of industries.

The Group does not have ultimate holding company and controlling shareholder.

On December 30, 2021, the Company has successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial information is presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated. This interim condensed consolidated financial information was approved for issue by the board of directors on August 26, 2026.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended June 30, 2026 has been prepared in accordance with International Accounting Standard IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2025, which have been prepared in accordance with IFRS Accounting Standards (IFRS), as set out in the Company's annual report dated March 26, 2026 except for the adoption of amended standard as disclosed in Note 3.

For the Six Months Ended June 30, 2026

3 NEW STANDARDS AND INTERPRETATIONS

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2025, as described in those annual financial statements.

Taxes on income for the interim period are accrued using the estimated tax rates that would be applicable to expected total annual assessable profit.

(a) New or amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The following amendment to standards have been adopted by the Group for the first time for the financial year beginning on January 1, 2026:

IFRS 7 and IFRS 9 (Amendment)	Amendments to the Classification and Measurement of Financial Instruments
IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity
Annual Improvements to IFRS	Annual Improvements to IFRS Accounting Standards

The adoption of amended standards did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards, amendments and interpretations not yet adopted

The followings new standards and amendments to standards have not come into effect for the financial year beginning January 1, 2026 and have not been early adopted by the Group in preparing the interim condensed consolidated financial statements. According to the preliminary assessment made by the directors of the Group, no significant impact on the financial performance and positions of the Group is expected when they become effective.

For the Six Months Ended June 30, 2026

3 NEW STANDARDS AND INTERPRETATIONS (CONTINUED)

(b) New standards, amendments and interpretations not yet adopted (continued)

		Effective for annual periods Beginning on or after
IFRS 19 and Amendment	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IAS 21 (Amendment)	Transaction to a Hyperinflationary Presentation Currency	January 1, 2027
IAS 28 (Amendment)	Amendment to the Fair Value Option	January 1, 2027
IFRS 10 and IAS 28 (Amendment)	Sale or Contribution of Assets between an investor and its Associate or Joint Venture	To be determined
Amendment to illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosure about Uncertainties in the Financial Statements	To be determined

4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

(a) Fair value hierarchy

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. An explanation of each level follows underneath the table.

For the Six Months Ended June 30, 2026

4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Fair value hierarchy (continued)

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at June 30, 2026 on a recurring basis:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
(Unaudited)				
At June 30, 2026				
Assets:				
– Financial assets at fair value through profit or loss ("FVPL")	**792,930**	**4,239,698**	**8,489,796**	**13,522,424**
Liabilities:				
– Preferred share liabilities	**–**	**–**	**1,211,793**	**1,211,793**
– Other financial liabilities	**–**	**–**	**5,301,511**	**5,301,511**
	–	**–**	**6,513,304**	**6,513,304**

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at December 31, 2025				
Assets:				
– Financial assets at FVPL	809,479	56,258	7,216,493	8,082,230
– Derivative financial instrument	–	3,097	–	3,097
	809,479	59,355	7,216,493	8,085,327
Liabilities:				
– Preferred share liabilities	–	–	1,225,380	1,225,380
– Other financial liabilities	–	–	1,584,508	1,584,508
	–	–	2,809,888	2,809,888

4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Fair value hierarchy (continued)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (e.g. 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. The quoted market price already incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques which maximise 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 and for instruments where ESG risk gives rise to a significant unobservable adjustment.

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- for other financial instruments – discounted cash flow analysis.

There were no changes in valuation techniques during the six months ended June 30, 2026. The Group also did not change any valuation techniques in determining the level 2 and level 3 fair values.

For transfers in and out of level 3 measurements see (c) below.

The fair value of trade and other receivables, long-term receivables, term deposits, restricted cash, and cash and cash equivalents approximated to their carrying amounts.

For the Six Months Ended June 30, 2026

4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

The following table presents the changes in level 3 instruments for the six months ended June 30, 2026:

	Debt investments RMB'000	Equity investments RMB'000	Wealth management products RMB'000	Preferred shares issued by a subsidiary RMB'000	Net asset value of investment funds attributable to limited partners RMB'000	Total RMB'000
(Unaudited)						
At January 1, 2026	**6,225,373**	**419,151**	**571,969**	**(1,225,380)**	**(1,584,508)**	**4,406,605**
Additions	**1,316,403**	**20,680**	**6,873,206**	**–**	**(597,857)**	**7,612,432**
Disposals	**(32,838)**	**–**	**(6,719,643)**	**–**	**–**	**(6,752,481)**
Decrease from disposal of subsidiary	**(73,565)**	**–**	**–**	**–**	**–**	**(73,565)**
Transfer from Level 3 to Level 2	**(431,862)**	**–**	**–**	**–**	**–**	**(431,862)**
Fair value changes	**402,832**	**(231)**	**16,937**	**(20,063)**	**(3,197,634)**	**(2,798,159)**
Losses attributable to changes in credit risk recognised in other comprehensive loss	**–**	**–**	**–**	**(4,633)**	**–**	**(4,633)**
Distribution of cash dividends	**–**	**–**	**–**	**–**	**78,488**	**78,488**
Foreign currency translation	**(89,279)**	**(8,644)**	**(693)**	**38,283**	**–**	**(60,333)**
At June 30, 2026	**7,317,064**	**430,956**	**741,776**	**(1,211,793)**	**(5,301,511)**	**1,976,492**
(Unaudited)						
At January 1, 2025	5,214,360	366,196	701,087	(1,205,047)	(916,940)	4,159,656
Additions	194,371	8,750	6,788,000	–	–	6,991,121
Disposals	(2,261)	–	(5,705,073)	–	–	(5,707,334)
Fair value changes	142,830	900	11,875	(18,623)	19,784	156,766
Losses attributable to changes in credit risk recognised in other comprehensive loss	–	–	–	(3,848)	–	(3,848)
Foreign currency translation	(16,425)	(1,063)	–	5,074	–	(12,414)
At June 30, 2025	5,532,875	374,783	1,795,889	(1,222,444)	(897,156)	5,583,947

4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

(i) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

	At June 30, 2026 (Unaudited)			
Description	Fair Value RMB'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Assets:				
Debt instruments – Unlisted entities	4,342,457	Expected volatility	38.81%-71.26%	A shift of the expected volatility by +/- 5% results in a (decrease)/increase in FV of RMB(9,913,000)/RMB10,055,000
		Risk-free rate	1.05%-4.30%	A shift of the risk-free rate by +/- 5% results in a (decrease)/increase in FV of RMB216,000
		DLOM	10%-30%	A shift of the DLOM by +/- 5% results in a (decrease)/increase in FV of RMB(61,326,000)/RMB61,073,000
Debt instruments – Fund	1,669,758	Net assets per unit	0.57-4.48	A shift of the net assets per unit by +/- 5% results in an increase/(decrease) in FV of RMB83,488,000
Debt instruments – Investments in bonds	1,304,849	Expected rate of return	4.21%-4.31%	A change in the expected rate of return by +/- 50 bps would increase/(decrease) the FV by RMB28,167,000/RMB(27,721,000)
Equity instruments -unlisted entities	430,956	DLOM	30%	A shift of the DLOM by +/- 5% results in a (decrease)/increase in FV of RMB2,949,000
Wealth management product	741,776	Expected rate of return	1.6%-2.02%	A change in the expected rate of return by 50 bps would increase/(decrease) the FV by RMB405,000
Liabilities:				
Net asset value of investment funds attributable to limited partners	5,301,511	Net assets per unit	0.92-4.29	A shift of the net assets per unit by +/- 5% results in an (increase)/decrease in FV of RMB265,076,000
Preferred shares issued by a subsidiary	1,211,793	Expected volatility	44.07%	A shift of the expected volatility by +/- 5% results in a change in FV of RMB(1,520,000)/RMB1,570,000
		Risk-free rate	4.14%	A shift of the risk-free rate by +/- 5% results in a change in FV of RMB(385,000)/RMB385,000

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4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

(ii) Valuation processes

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once every half year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary. The Group engaged an independent valuer to assist them on valuation of non-current unlisted debt investments and unlisted equity investments with derivatives.

5 SEGMENT INFORMATION

The Company develops software and hardware products for different industry verticals based on the same AI infrastructure platform and model training framework. The technologies and nature of the products of different business lines are substantially similar. The executive directors of the Company, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance did not discrete operating segment financial information and the executive directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

(a) Revenue by geographical areas

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in four principal geographical areas of the world. The following table shows the Group's total consolidated revenue by location of the customers during the six months ended June 30, 2026:

For the Six Months Ended June 30, 2026

5 SEGMENT INFORMATION (CONTINUED)

(a) Revenue by geographical areas (continued)

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Mainland China	**2,498,124**	2,176,347
Northeast Asia	**47,440**	61,356
Southeast Asia	**220,448**	21,043
Others*	**144,934**	99,452
	2,910,946	2,358,198

* Other geographical areas mainly represented Hong Kong China and Middle East.

(b) Non-current assets by geographical areas

The total of the non-current assets including property, plant and equipment, right-of-use assets, investment properties and intangible assets as at June 30, 2026, broken down by the location of the assets, is as follows:

	As at June 30, 2026	As at December 31, 2025
	RMB'000	RMB'000
	(Unaudited)	
Mainland China	**10,468,374**	8,567,687
Northeast Asia	**26,954**	32,380
Southeast Asia	**13,937**	12,463
Others	**162,838**	186,831
	10,672,103	8,799,361

For the Six Months Ended June 30, 2026

6 REVENUE

(a) Information about major customers

The major customers which contributed more than 10% of total revenue of the Group for the six months ended June 30, 2026 are listed as below:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Percentage of revenue from the major customers to the total revenue of the Group		
Client A	**11.9%**	*
Client B	*	40.3%

* represents that the amount of aggregate revenue from such customer is less than 10% of the total revenue for respective period.

(b) Disaggregation of revenue

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
– recognised point in time	**1,899,533**	1,988,135
– recognised over time	**1,011,413**	370,063
	2,910,946	2,358,198

During the six months ended June 30, 2026, the Group determines revenue should be reported on a gross or net basis based on principal/agent assessment and revenue was primarily reported on a gross basis.

For the Six Months Ended June 30, 2026

6 REVENUE (CONTINUED)

(c) Contract assets

The Group has recognised the following contract assets with customers:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Current assets	3,154	3,734
Loss allowance	(426)	(504)
	2,728	3,230
Non-current assets	15,682	18,045
Loss allowance	(4,157)	(2,254)
	11,525	15,791
	14,253	19,021

(d) Contract liabilities

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Current		
Deferred service fee income (i)	1,638	19,472
Advances from customers	314,642	209,442
	316,280	228,914
Non-current		
Deferred service fee income (i)	34,257	39,361

(i) Deferred service fee income represented the maintenance and upgrade service obligations separated from the revenue contracts.

For the Six Months Ended June 30, 2026

7 EXPENSES BY NATURE

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

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Employee benefit expenses (a)	**1,165,792**	1,486,608
Hardware costs and project subcontracting service fees	**1,152,404**	1,244,813
Depreciation and amortization (Note 14, Note 15 and Note 17)	**732,720**	637,336
Server operation and cloud based service fees	**729,160**	574,032
Professional service and other consulting fees	**216,421**	212,122
Marketing, conference and travelling expenses	**89,251**	67,963
Utilities, property management and administrative expenses	**64,764**	88,008
Research and development tools and consumables	**51,278**	7,942
Data labelling fees	**19,775**	79,290
Taxes and surcharges	**15,346**	22,537
Other expenses	**12,312**	17,598
	4,249,223	4,438,249

(a) During the six months ended June 30, 2026, employee benefits expenses included share-based compensation expenses of approximately RMB225,376,000 (for the six months ended June 30, 2025: RMB153,250,000) (Note 29(c)).

8 OTHER INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants		
– Financial subsidies (i)	**111,471**	118,395
– Tax refund	**2,006**	3,790
Dividend received	**7,322**	6,789
	120,799	128,974

(i) Governments grants received during the period primarily comprised the financial subsidies received from various local government authorities in the mainland China, Hong Kong China and other regions. There are no unfulfilled conditions or contingencies relating to these incomes.

9 OTHER GAINS – NET

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fair value gains/(losses) on financial assets at fair value through profit or loss (Note 23(d))	**4,588,084**	(155,264)
Fair value changes on net asset value of investment funds attributable to limited partners (Note 28(d))	**(3,197,634)**	19,784
Gains on disposal of subsidiaries (i)	**521,024**	937,640
Gains on disposal of investments accounted for using the equity method and FVPL (ii)	**80,397**	–
Net foreign exchange gains/(losses)	**113,330**	(168,990)
Gains/(losses) on disposal of property, plant and equipment	**393**	(10,177)
Others	**21,861**	17,623
	2,127,455	640,616

(i) During the six months ended June 30, 2026, the Group disposed its interests in certain subsidiaries to third parties and lost control over these subsidiaries and they became joint ventures of the Group. The Group recognised net gains amounted to RMB521,024,000 based on the fair value of the Group's equity interest in these associates amounted to RMB459,600,000 on disposal date and the carrying amount of net liabilities of these subsidiaries amounted to RMB61,424,000 on disposal date.

(ii) During the six months ended June 30, 2026, the Group disposed its interests in certain associates and joint ventures to third parties. The Group recognised net gain amounted RMB38,994,000 based on cash consideration of RMB173,550,000 and the carrying amount of these companies amounted RMB134,556,000 on disposal date.

During the six months ended June 30, 2026, the Group recognised gains of RMB41,943,000 arising from the disposal of certain FVPL financial assets.

For the Six Months Ended June 30, 2026

10 FINANCE INCOME – NET

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income	**99,330**	126,268
Accretion income for long-term receivables	**13**	1,856
Finance income	**99,343**	128,124
Finance costs		
Interest expenses on bank borrowings	**(70,818)**	(91,197)
Interest and finance charges paid/payable for lease liabilities (Note 15(b))	**(3,704)**	(5,189)
Interest expenses for financial instruments with preferred rights at amortised cost	**(6,876)**	–
	(81,398)	(96,386)
– Amount capitalised (i)	**6**	7
Finance costs expensed	**(81,392)**	(96,379)
Finance income – net	**17,951**	31,745

(i) The capitalization rate used to determine the amount of borrowing costs to be capitalised is 2.80% (for the six months ended June 30, 2025: 3.69%).

11 INCOME TAX EXPENSE

(i) Cayman Islands

The Company was redomiciled in the Cayman Islands in 2014 as an exempted company with limited liability, and is exempted from Cayman Islands income tax under the current tax laws of the Cayman Islands. In addition, no Cayman Islands withholding tax is imposed upon any payments of dividends.

(ii) British Virgin Islands

Under the current laws of the British Virgin Islands, entities incorporated in British Virgin Islands are not subject to tax on their income or capital gains.

(iii) Hong Kong China

Entities incorporated in Hong Kong are subject to Hong Kong profits tax of which the tax rate is 8.25% for assessable profits in the first HKD2 million and the remaining assessable profits are taxed at 16.5% (for the six months ended June 30, 2025: 16.5%).

(iv) Singapore

Entities incorporated in Singapore are subject to income tax at a rate of 17% for the six months ended June 30, 2026 (for the six months ended June 30, 2025: 17%).

(v) Malaysia

Malaysia income tax rate is 24% during the six months ended June 30, 2026 (for the six months ended June 30, 2025: 24%). In the case that the paid-up capital is Malaysian Ringgit ("**MYR**") 2.5 million or less, and the gross income from business is not more than MYR50 million, the income tax rate on the first MYR0.15 million chargeable income is 15%, the income tax rate on the next MYR0.45 million chargeable income is 17% and the part in excess of MYR0.6 million is 24%.

(vi) Saudi Arabia

Enterprises incorporated in Saudi Arabia are subject to income tax rate of 20% for the six months ended June 30, 2026 (for the six months ended June 30, 2025: 20%) on foreign ownership portion.

(vii) The United Arab Emirates

Enterprises incorporated in the United Arab Emirates are subject to UAE corporate tax at a rate of 9% where the taxable income exceeding AED0.375 million for the six months ended June 30, 2026 (for the six months ended June 30, 2025: 9%).

11 INCOME TAX EXPENSES (CONTINUED)

(viii) PRC corporate income tax ("CIT")

The income tax provision of the Group in respect of its operations in the Mainland China was subject to statutory tax rate of 25% on the assessable profits for the six months ended June 30, 2026 (for the six months ended June 30, 2025: 25%), based on the existing legislation, interpretations and practices in respect thereof.

Beijing SenseTime Technology Development Co., Ltd.("**Beijing SenseTime**"), Shanghai SenseTime Intelligent Technology Co., Ltd. ("**Shanghai SenseTime**"), Shanghai SenseTime Technology Development Co., Ltd. ("**Shanghai Development**"), Shanghai Shangtang Shanhui Information Technology Co., Ltd. and Beijing SenseRobot Intelligent Technology Co., Ltd. (formerly named "Shanghai SenseRobot Intelligent Technology Co., Ltd.") were qualified as "High and New Technology Enterprises" ("**HNTEs**") under the relevant PRC laws and regulations. Shenzhen SenseTime Technology Co., Ltd. ("**Shenzhen SenseTime**") and Shenzhen Tetras.AI Technology Co., Ltd.("**Tetras.AI Shenzhen**") were qualified as HNTEs and were registered in such special zones. Accordingly, these entities were entitled to a preferential income tax rate of 15% in 2026. This status of HNTEs is subject to a requirement that Beijing SenseTime, Shenzhen SenseTime, Shanghai SenseTime, Shanghai Development, Tetras.AI Shenzhen, Shanghai Shangtang Shanhui Information Technology Co., Ltd., and Beijing SenseRobot Intelligent Technology Co., Ltd. reapply for HNTEs status every three years.

(ix) PRC Withholding Tax ("WHT")

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong China meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong China, the relevant withholding tax rate will be reduced from 10% to 5%.

During the six months ended June 30, 2026, no deferred income tax liability on WHT was accrued as at the end of each reporting period because the subsidiaries of the Group were primarily loss making in these periods (for the six months ended June 30, 2025: nil).

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	**69,494**	9,996
Deferred income tax (Note 19)	**(13,510)**	25,991
Income tax expenses	**55,984**	35,987

For the Six Months Ended June 30, 2026

12 EARNINGS/(LOSSES) PER SHARE

Basic

The basic earnings/(losses) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares (excluding treasury shares) issued during the six months ended June 30, 2026:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to equity holders of the Company	**607,420**	(1,477,949)
Weighted average number of ordinary shares in issue (thousand)	**40,687,080**	36,109,541
Basic earnings/(losses) per share (expressed in RMB per share)	**0.01**	(0.04)

Diluted

Diluted earnings/(losses) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has three categories of dilutive potential ordinary shares: preferred shares issued by a subsidiary of the Company, restricted share units ("RSUs") and share options. The Company had no potential dilutive ordinary shares outstanding during the six months ended June 30, 2026 as all preferred shares issued by a subsidiary of the Company, RSUs and share options were anti-dilutive, therefore the diluted earnings per share is equal to the basic earnings per share for the period presented. Accordingly, diluted earnings per share for the six months ended June 30, 2026 is the same as basic earnings per share of the respective period (six months ended June 30, 2025: same as basic loss per share of the respective period).

13 DIVIDENDS

No dividend had been declared or paid by the Company during the six months ended June 30, 2026 (for the six months ended June 30, 2025: nil).

For the Six Months Ended June 30, 2026

14 PROPERTY, PLANT AND EQUIPMENT

	Buildings and facilities[a] RMB'000	Property improvement RMB'000	Large-scale electronic equipment[b] RMB'000	Computers and related equipment RMB'000	Office equipment and furniture RMB'000	Transportation equipment and vehicles RMB'000	Other equipment RMB'000	Construction in progress RMB'000	Total RMB'000
At December 31, 2025									
Cost	2,121,427	556,526	5,768,789	738,926	58,364	20,201	31,591	304,194	9,600,018
Accumulated depreciation	(373,586)	(387,193)	(2,404,026)	(484,456)	(41,256)	(14,759)	(11,486)	–	(3,716,762)
Net book amount	1,747,841	169,333	3,364,763	254,470	17,108	5,442	20,105	304,194	5,883,256
(Unaudited)									
Six months ended June 30, 2026									
Opening net book amount	1,747,841	169,333	3,364,763	254,470	17,108	5,442	20,105	304,194	5,883,256
Additions	–	2,748	2,420,040	89,347	841	280	1,364	180,334	2,694,954
Internal transfer	–	22,734	337,323	(718)	291	–	–	(359,630)	–
Disposals	–	(5,161)	(102,828)	(1,212)	(72)	(1,542)	–	(2,520)	(113,335)
Disposals of subsidiaries	–	–	(1,197)	(323)	(1)	–	(3)	–	(1,524)
Depreciation charge	(38,784)	(17,089)	(511,012)	(68,632)	(3,764)	(1,429)	(2,225)	–	(642,935)
Currency translation differences	(933)	(653)	(1,346)	(168)	(74)	(67)	(706)	743	(3,204)
Closing net book amount	1,708,124	171,912	5,505,743	272,764	14,329	2,684	18,535	123,121	7,817,212
At June 30, 2026									
Cost	2,120,460	576,194	8,409,252	741,498	59,034	16,911	32,244	123,121	12,078,714
Accumulated depreciation	(412,336)	(404,282)	(2,903,509)	(468,734)	(44,705)	(14,227)	(13,709)	–	(4,261,502)
Net book amount	1,708,124	171,912	5,505,743	272,764	14,329	2,684	18,535	123,121	7,817,212

For the Six Months Ended June 30, 2026

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) As at June 30, 2026, certain buildings with carrying amount of RMB1,224,295,000 (December 31, 2025: RMB1,537,922,000) were pledged as collaterals for the Group's borrowings (Note 31).

(b) As at June 30, 2026, certain large-scale electronic equipment with carrying amount of RMB250,356,000 were pledged as collaterals for the Group's borrowings (Note 31).

(c) During the six months ended June 30, 2026, depreciation charges were expensed off in the following categories in the interim condensed consolidated income statement:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of sales	**294,279**	87,095
Selling expenses	**2,436**	7,115
Administrative expenses	**60,991**	95,991
Research and development expenses	**285,229**	314,672
	642,935	504,873

For the Six Months Ended June 30, 2026

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets include leased buildings, land use right and large-scale electronic equipment.

(a) Amounts recognised in the interim condensed consolidated balance sheet

The interim condensed consolidated balance sheet shows the following amounts relating to leases:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Right-of-use assets		
Leased buildings	137,973	184,782
Large-scale electronic equipment	34,407	37,452
Land use right (i)	59,781	60,458
	232,161	282,692
Lease liabilities		
Current	58,387	62,358
Non-current	146,376	176,010
	204,763	238,368

(i) As at June 30, 2026, all land use right was pledged as collaterals for the Group's borrowings (Note 31).

(b) Amounts recognised in the interim condensed consolidated income statement

The interim condensed consolidated income statement show the following amounts relating to leases:

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Depreciation charge of right-of-use assets		
Leased buildings	36,342	45,857
Large-scale equipment	3,045	–
Land use right	677	677
	40,064	46,534
Interest expense (included in finance income – net)	3,704	5,189

The total cash outflow for leases for the six months ended June 30, 2026 was RMB64,132,000 (for the six months ended June 30, 2025: RMB105,074,000).

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(c) **The movement in right-of-use assets in the interim condensed consolidated balance sheet are as follows:**

	Leased buildings RMB'000	Land use right RMB'000	Large-scale electronic equipment RMB'000	Total RMB'000
At December 31, 2025				
Cost	463,467	67,674	44,237	575,378
Accumulated depreciation	(278,685)	(7,216)	(6,785)	(292,686)
Net book amount	184,782	60,458	37,452	282,692
(Unaudited)				
Six months ended June 30, 2026				
Opening net book amount	**184,782**	**60,458**	**37,452**	**282,692**
Additions	**6,867**	**–**	**–**	**6,867**
Termination	**(19,063)**	**–**	**–**	**(19,063)**
Depreciation charge	**(36,342)**	**(677)**	**(3,045)**	**(40,064)**
Currency translation differences	**1,729**	**–**	**–**	**1,729**
Closing net book amount	**137,973**	**59,781**	**34,407**	**232,161**
At June 30, 2026				
Cost	**443,927**	**67,674**	**44,237**	**555,838**
Accumulated depreciation	**(305,954)**	**(7,893)**	**(9,830)**	**(323,677)**
Net book amount	**137,973**	**59,781**	**34,407**	**232,161**

During the six months ended June 30, 2026, depreciation charges were expensed off in the following categories in the interim condensed consolidated income statement:

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cost of sales	**–**	171
Administrative expenses	**34,319**	42,257
Research and development expenses	**5,745**	4,106
	40,064	46,534

For the Six Months Ended June 30, 2026

16 INVESTMENT PROPERTIES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
At beginning of the period	**2,512,134**	–
Transfer from Property, plant and equipment	**–**	2,503,101
Revaluation gains upon transfer from property, plant and equipment (included in other comprehensive loss)	**–**	4,744
Fair value changes	**(4,289)**	4,289
At end of the period	**2,507,845**	2,512,134

As at June 30, 2026, investment properties with net book value of RMB2,507,845,000 were pledged as collateral for the Group's bank borrowings (Note 31).

The Group's investment properties were valued at transfer dates, and at each of balance sheet date respectively, by an external independent valuer. For all investment properties, their current use equates the highest and best use.

The Group's policy is to recognise change of fair value hierarchy levels as of the date of the event or change in circumstances that caused the change. At June 30, 2026, the Group only had investment properties measured at level 3 valuation.

For the Six Months Ended June 30, 2026

16 INVESTMENT PROPERTIES (CONTINUED)

(a) Valuation inputs and relationships to fair value

	Fair value as at June 30, 2026	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Investment properties	2,507,845	Market price	Adjusted market price (RMB'000/m^2)	52-63

(b) Leasing arrangements

The investment properties are leased to tenants under operating leases, with rentals payable monthly. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

Minimum lease payments receivable on leases of investment properties are as follows:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Within 1 year	**61,525**	54,923
Between 1-2 years	**60,919**	60,615
Between 2-3 years	**59,879**	59,754
Later than 3 years	**48,774**	78,533
	231,097	253,825

For the Six Months Ended June 30, 2026

17 INTANGIBLE ASSETS

	Patents	Trademarks	Computer software	Licensed intellectual properties	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At December 31, 2025					
Cost	72,896	22	633,285	37,711	743,914
Accumulated amortisation and impairment	(72,896)	(22)	(512,010)	(37,707)	(622,635)
Net book amount	–	–	121,275	4	121,279
(Unaudited)					
Six months ended June 30, 2026					
Opening net book amount	**–**	**–**	**121,275**	**4**	**121,279**
Additions	**–**	**–**	**45,057**	**–**	**45,057**
Disposals	**–**	**–**	**–**	**–**	**–**
Disposals of subsidiaries	**–**	**–**	**(865)**	**–**	**(865)**
Amortisation charge	**–**	**–**	**(49,717)**	**(4)**	**(49,721)**
Currency translation differences	**–**	**–**	**(865)**	**–**	**(865)**
Closing net book amount	**–**	**–**	**114,885**	**–**	**114,885**
At June 30, 2026					
Cost	**72,896**	**22**	**673,615**	**37,711**	**784,244**
Accumulated amortisation and impairment	**(72,896)**	**(22)**	**(558,730)**	**(37,711)**	**(669,359)**
Net book amount	**–**	**–**	**114,885**	**–**	**114,885**

During the six months ended June 30, 2026, amortization charges were expensed off in the following categories in the interim condensed consolidated income statement:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of sales	**2,201**	210
Selling expenses	**600**	415
Administrative expenses	**4,368**	19,885
Research and development expenses	**42,552**	65,419
	49,721	85,929

For the Six Months Ended June 30, 2026

18 OTHER NON-CURRENT ASSETS

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Advance payment for purchase of property, plant and equipment and intangible assets	**994,954**	1,213,925
Advance payment for purchase of services	**338,052**	444,306
	1,333,006	1,658,231

19 DEFERRED INCOME TAX

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

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Deferred income tax assets:		
– to be recovered within 12 months	**367,172**	376,522
– to be recovered after more than 12 months	**334,006**	312,562
Offset by deferred income tax liabilities	**(42,634)**	(34,530)
Net deferred income tax assets	**658,544**	654,554
Deferred income tax liabilities:		
– to be recovered after more than 12 months	**(52,986)**	(51,288)
Offset by deferred income tax assets	**42,634**	34,530
Net deferred income tax liabilities	**(10,352)**	(16,758)

For the Six Months Ended June 30, 2026

19 DEFERRED INCOME TAX (CONTINUED)

The gross movements on the deferred income tax account is as follows:

Deferred income tax assets	Tax losses carried forward RMB'000	Impairment provision on assets RMB'000	Unrealised profit RMB'000	Fair value changes on financial assets carried at FVPL RMB'000	Lease liabilities RMB'000	Others RMB'000	Total RMB'000
(Unaudited)							
At January 1, 2026	**268,031**	**374,821**	**9**	**–**	**26,006**	**20,217**	**689,084**
Credit/(charged) to the interim condensed consolidated income statement	**30,649**	**(10,164)**	**(2)**	**–**	**(7,513)**	**2,238**	**15,208**
Currency translation differences	**–**	**(2,479)**	**–**	**–**	**(635)**	**–**	**(3,114)**
At June 30, 2026	**298,680**	**362,178**	**7**	**–**	**17,858**	**22,455**	**701,178**
(Unaudited)							
At January 1, 2025	244,993	482,247	–	–	23,843	21,620	772,703
Credit/(charged) to the interim condensed consolidated income statement	1,120	(27,826)	–	–	2,922	(488)	(24,272)
Currency translation differences	–	105	–	–	–	1,873	1,978
At June 30, 2025	246,113	454,526	–	–	26,765	23,005	750,409

19 DEFERRED INCOME TAX (CONTINUED)

Deferred income tax liabilities	Fair value changes on financial assets carried at FVPL RMB'000	Right-of-use assets RMB'000	Investment properties RMB'000	Total RMB'000
(Unaudited)				
At January 1, 2026	**(25,161)**	**(24,941)**	**(1,186)**	**(51,288)**
(Charged)/credit to the interim condensed consolidated income statement	**(9,633)**	**7,935**	**–**	**(1,698)**
At June 30, 2026	**(34,794)**	**(17,006)**	**(1,186)**	**(52,986)**
(Unaudited)				
At January 1, 2025	(21,537)	(23,924)	–	(45,461)
Credit/(charged) to the interim condensed consolidated income statement	1,435	(3,154)	–	(1,719)
Charged to other comprehensive income	–	–	(1,186)	(1,186)
At June 30, 2025	(20,102)	(27,078)	(1,186)	(48,366)

20 INVENTORIES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Purchased hardware and components	**308,495**	85,235
Contract fulfilment cost	**108,660**	169,749
	417,155	254,984
Less: allowance for impairment of inventories	**(6,407)**	(6,869)
	410,748	248,115

The provision for impairment of inventories recorded as cost of sales for the six months ended June 30, 2026 was RMB9,032,000 (for the six months ended June 30, 2025: RMB13,864,000).

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21 TRADE, OTHER RECEIVABLES AND PREPAYMENTS

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Notes receivables	**54,260**	56,724
Provision for impairment	**(50,257)**	(49,019)
	4,003	7,705
Trade receivables		
– Due from related parties (Note 33(c))	**355,921**	368,451
– Due from third parties	**6,683,451**	5,526,893
	7,039,372	5,895,344
Less: provision for impairment	**(3,276,511)**	(3,384,897)
	3,762,861	2,510,447
Other receivables		
– Refundable deposits	**59,051**	30,040
– Loans to related parties (Note 33(c))	**21,769**	28,287
– Payments on behalf of customers	**365,326**	369,348
– Others	**204,475**	346,757
	650,621	774,432
Less: provision for impairment	**(306,755)**	(311,743)
	343,866	462,689
Prepayments	**638,465**	895,462
Input VAT to be deducted	**541,574**	427,780
Total trade, other receivables and prepayments	**5,290,769**	4,304,083

21 TRADE, OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

The aging analysis of the notes receivables based on date of revenue recognition is as follows:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Bank notes receivables		
– Up to 6 months	**5,260**	7,624
Commercial notes receivables		
– Up to 6 months	**–**	100
– Over 1 year	**49,000**	49,000
	54,260	56,724

The credit terms given to trade customers are determined on an individual basis with normal credit period mainly around 90 to 270 days. The aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Up to 6 months	**2,165,910**	1,896,217
6 months to 1 year	**1,233,603**	309,726
1 to 2 years	**261,666**	235,122
2 to 3 years	**116,919**	118,721
More than 3 years	**3,261,274**	3,335,558
	7,039,372	5,895,344

For the Six Months Ended June 30, 2026

22 LONG-TERM RECEIVABLES

Long-term receivables represented: (1) the receivables due for settlement by instalments, which are generally between 1 to 5 years; (2) the refundable deposits with maturity date over 1 year. Long-term receivables contains significant financing components. Accordingly, these receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest method. The portion due for settlement within 1 year is reclassified to trade receivables. The balance of long-term receivables were analysed in the following table.

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Payment by installment sales contract	**36,446**	22,087
Refundable deposits due after one year	**10,917**	30,432
Less: due within one year	**(5,650)**	(14,559)
	41,713	37,960
Less: provision for impairment	**(2,834)**	(2,842)
	38,879	35,118

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) Classification of financial assets at fair value through profit or loss

The Group classified the following financial assets at FVPL:

– Debt investments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income;

– Equity investments that are held for trading; and

– Equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income.

For the Six Months Ended June 30, 2026

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(i) Classification of financial assets at fair value through profit or loss (continued)

Financial assets mandatorily measured at FVPL include the following:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Non-current assets		
Debt investments (a)		
– Unlisted entities	**4,342,457**	3,893,508
– Investments in bonds	**1,304,849**	1,330,278
– Fund	**1,669,758**	1,001,587
Equity investments (b)		
– Listed entities	**5,032,628**	865,737
– Unlisted entities	**430,956**	419,151
	12,780,648	7,510,261
Current assets		
Wealth management products (c)	**741,776**	571,969
	13,522,424	8,082,230

For the Six Months Ended June 30, 2026

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Debt investments

The movement of the debt investments during the six months ended June 30, 2026 is as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At beginning of the period	**6,225,373**	5,214,360
Additions	**1,316,403**	194,371
Disposals	**(32,838)**	(2,261)
Decrease from disposal of subsidiaries	**(73,565)**	–
Transfer to equity investments (i)	**(431,862)**	–
Fair value changes	**402,832**	142,830
Currency translation differences	**(89,279)**	(16,425)
At end of the period	**7,317,064**	5,532,875

(i) During the six months ended June 30, 2026, one of investee companies was listed on the A-share market. Accordingly, the Company remeasured its retained equity interest in Dapu Micro at its fair value of RMB431,862,000 on the listing date.

The Group made investments in various industry companies in the form of convertible redeemable preferred shares, ordinary shares with preferential rights and convertible loans. The Group has the right to require and demand the investees to redeem all of the investments held by the Group at guaranteed predetermined amount upon redemption events which are out of control of the investees. Hence these investments are accounted for as debt instruments and are measured as financial assets at fair value through profit or loss. In addition, the Group also made investments in certain investment funds as a limited partner, these investments were included in debt investments, depending on the investment contract terms.

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(b) Equity investments

The movement of the equity investments during the six months ended June 30, 2026 is as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At beginning of the period	**1,284,888**	1,149,136
Additions	**70,482**	50,579
Disposals	**(395,711)**	(338,783)
Transfer from debt investments (a) (i)	**431,862**	–
Fair value changes	**4,168,315**	(284,812)
Currency translation differences	**(96,252)**	(1,746)
At end of the period	**5,463,584**	574,374

The fair values of the listed securities are determined based on the closing price quoted in active market or that with the adjustment of lack of marketability discount. The fair values of the unlisted securities are measured using a valuation technique with unobservable inputs.

(c) Wealth management products

The wealth management products were non-principal protected with maturity of less than 1 year.

The movement of the wealth management products during the six months ended June 30, 2026 is as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At beginning of the period	**571,969**	701,087
Additions	**6,873,206**	6,788,000
Redemptions	**(6,719,643)**	(5,655,073)
Disposal of subsidiary	**–**	(50,000)
Fair value changes	**16,937**	11,875
Currency translation differences	**(693)**	–
At end of the period	**741,776**	1,795,889

For the Six Months Ended June 30, 2026

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(d) Amounts recognised in the interim condensed consolidated income statement

During the six months ended June 30, 2026, the following gains/(losses) were recognised in the interim condensed consolidated income statement:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fair value gains/(losses) on investments in:		
– Debt investments	**402,832**	142,830
– Equity investments	**4,168,315**	(284,812)
– Derivative financial instruments	**–**	(25,157)
– Wealth management products	**16,937**	11,875
	4,588,084	(155,264)

24 DERIVATIVE FINANCIAL INSTRUMENTS

	As at June 30, 2026	As at December 31, 2025
	RMB'000	RMB'000
	(Unaudited)	
Assets:		
Foreign currency swap contract	**–**	3,097

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25 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TERM DEPOSITS

(a) Cash and cash equivalents

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Cash at bank and in hand	**13,103,119**	13,675,022
Less: restricted cash (b)	**(101,854)**	(505,308)
Less: term deposits with initial term of over three months (c)	**(3,124,021)**	(2,282,664)
Cash and cash equivalents	**9,877,244**	10,887,050

(b) Restricted cash

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Non-current		
Performance security	**27,846**	21,601
Current		
Performance security	**17,525**	24,840
Security deposit (Note 31)	**–**	41,441
Swap contract deposit	**–**	351,448
Others	**56,483**	65,978
	74,008	483,707
	101,854	505,308

(c) Term deposits were deposits with initial terms of over three months and those with maturity date over 1 year were disclosed in non-current assets.

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26 SHARE CAPITAL

Authorised:

	Number of ordinary shares
At January 1, 2025, 2026 and June 30, 2025, 2026	**2,000,000,000,000**

Issued:

	Number of shares	Share capital RMB'000
At January 1, 2026	**40,424,038,000**	**7**
Placing of ordinary shares (a)	**1,700,000,000**	*
Vesting of share awards	**92,552,703**	*
At June 30, 2026 (Unaudited)	**42,216,590,703**	**7**
At January 1, 2025 and June 30, 2025 (Unaudited)	37,007,371,000	6

(a) In April 2026, a total number of 1,700,000,000 Class B ordinary shares have been placed at HK$1.91 per share. Accordingly, the net proceeds recorded in share capital and other reserves (after deducting the commission and transaction levy) were RMB292 and RMB2,831,055,000, respectively.

As at June 30, 2026, the ordinary shares of the Company represented two classes as follows:

	As at June 30, 2026 Number of shares (Unaudited)	As at December 31, 2025 Number of shares
Class A ordinary shares (i)	**509,844,373**	614,034,470
Class B ordinary shares	**41,706,746,330**	39,810,003,530
	42,216,590,703	40,424,038,000

(i) On January 16, 2026, Vision Worldwide transferred 104,190,097 class A ordinary shares into class B ordinary shares.

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27 OTHER RESERVES

	Shares held for share award scheme RMB'000	Share premium RMB'000	Share-based compensation expenses RMB'000	Other comprehensive loss reserve RMB'000	Others RMB'000	Total RMB'000
(Unaudited)						
At January 1, 2026	*	82,061,096	535,081	(15,833)	(1,107,895)	81,472,449
Placing of ordinary shares	–	2,831,055	–	–	–	2,831,055
Treasury shares issued to employees (a)	–	127,600	(92,126)	–	–	35,474
Transactions with non-controlling interests	–	–	–	–	257,500	257,500
Recognition of financial instruments with preferred rights at amortised cost (Note 28(c))	–	–	–	–	(50,000)	(50,000)
Share-based compensation expenses (Note 29)	–	–	225,376	–	–	225,376
Changes in credit risk for financial liabilities designated as at fair value through profit or loss	–	–	–	(4,633)	–	(4,633)
At June 30, 2026	*	85,019,751	668,331	(20,466)	(900,395)	84,767,221
(Unaudited)						
At January 1, 2025	*	76,433,872	581,543	(14,544)	(930,969)	76,069,902
Treasury shares issued to employees (a)	–	128,448	(92,896)	–	–	35,552
Transactions with non-controlling interests	–	–	–	–	40,000	40,000
Recognition of financial instruments with preferred rights at amortised cost (Note 28(c))	–	–	–	–	(62,500)	(62,500)
Share-based compensation expenses (Note 29)	–	–	153,250	–	–	153,250
Revaluation gains upon transfer from property, plant and equipment (b)	–	–	–	3,558	–	3,558
Changes in credit risk for financial liabilities designated as at fair value through profit or loss	–	–	–	(3,848)	–	(3,848)
At June 30, 2025	*	76,562,320	641,897	(14,834)	(953,469)	76,235,914

* represents that the amount is less than RMB1,000 for the period.

(a) Unvested shares held by the SenseTalent Management Limited are disclosed as treasury shares and deducted from equity attributable to the Company's equity holders. As at June 30, 2026, 602,561,000 treasury shares in SenseTalent Management Limited have not been issued to employees (December 31, 2025: 664,865,000).

(b) The revaluation gains arising from the transfer from property, plant and equipment to investment properties at the transfer date is accounted to other comprehensive loss reserve and deferred income tax liabilities respectively.

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28 PREFERRED SHARE AND OTHER FINANCIAL LIABILITIES

As at June 30, 2026, the preferred share and other financial liabilities included:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Preferred share liabilities issued by a subsidiary (a)	**1,211,793**	1,225,380
Net asset value of investment funds attributable to limited partners (b)	**5,301,511**	1,584,508
Financial instruments with preferred rights at amortised cost (c)	**166,224**	375,042
Total preferred share and other financial liabilities	**6,679,528**	3,184,930
Including:		
Current portion	**1,211,793**	1,225,380
Non-current portion	**5,467,735**	1,959,550
	6,679,528	3,184,930

(a) Preferred share liabilities issued by a subsidiary

On September 22, 2021, SenseMeet Investment limited ("SenseMeet") and a sovereign wealth fund of the Government of Saudi Arabia ("Fund A") signed a joint venture agreement to set up SenseTime MEA Ltd. (formerly named "SenseWonder Technology Limited", "SenseTime MEA"). 51 ordinary shares and 49 convertible preferred shares were issued to SenseMeet and Fund A respectively. The consideration for subscription of preferred shares by Fund A shall be paid in two tranches, first tranche consideration amounted to USD155,000,000 and second tranche amounted to USD52,000,000 when certain conditions are satisfied. No more consideration was received during the six months ended June 30, 2026. Pursuant to the agreement, Fund A was also granted a put option to require SenseMeet to acquire all its preferred shares in SenseTime MEA on the occurrence of some certain events. The preferred shares issued to Fund A has dividends and conversion rights. Fund A has a preferential dividend rate of eight percent (8%) upon liquidation event or an exercise of its put option. Accordingly, the investment by Fund A to SenseTime MEA are recognised as preferred share liability at FVPL. As at June 30, 2026, the preferred share liabilities were disclosed in current liabilities as Fund A had right to convert its preferred shares into ordinary shares at any time.

28 PREFERRED SHARE AND OTHER FINANCIAL LIABILITIES (CONTINUED)

(b) Net asset value of investment funds attributable to limited partners

In August 2021, the Group established Beijing Guoxiang Shangheng Equity Investment Fund Partnership (limited partnership), as a limited partnership with an 8-year life, together with ten limited partners for strategic investment. As at June 30, 2026, the Group has already received RMB1,173,201,000 (December 31, 2025: RMB845,344,000) capital injection from these limited partners.

In February 2022, the Group established Shenzhen Chengsi Consulting Management Partnership (limited partnership), together with a limited partner for strategic investment. As at June 30, 2026, the Group has already received RMB53,500,000 (December 31, 2025: RMB23,500,000) capital injection from the limited partner.

In November 2023, the Group established Jiujiang Youdi Technology Industry Investment Partnership (limited Partnership), together with a limited partner for strategic investment. As at June 30, 2026, the Group has already received RMB100,500,000 (December 31, 2025: RMB100,500,000) capital injection from the limited partner.

In November 2023, the Group established Beijing Chengjing Management Consulting Partnership Enterprise (limited partnership). As at June 30, 2026, the Group has already received RMB19,500,000 (December 31, 2025: RMB19,500,000) capital injection from the limited partner.

In January 2024, the Group established Hefei Chenglin Enterprise Management Consulting Partnership Enterprise (limited partnership), together with a limited partner for strategic investment. As at June 30, 2026, the Group has already received RMB2,000,000 (December 31, 2025: RMB2,000,000) capital injection from the limited partner.

In November 2024, the Group established Anhui Chengtang Shuzhi Creative Equity Investment Fund Partnership Enterprise (limited partnership), together with three limited partners for strategic investment. As at June 30, 2026, the Group has already received RMB315,000,000 (December 31, 2025: RMB240,000,000) capital injection from these limited partners.

In October 2025, the Group established Shanghai Guoxiang Shangyuan Private Investment Fund Partnership (limited partnership), together with three limited partners for strategic investment. As at June 30, 2026, the Group has already received RMB385,000,000 (December 31, 2025: RMB220,000,000) capital injection from these limited partners.

The Group designated the net asset value of investment funds attributable to limited partners as financial liabilities at fair value through profit or loss.

For the Six Months Ended June 30, 2026

28 PREFERRED SHARE AND OTHER FINANCIAL LIABILITIES (CONTINUED)

(c) Financial instruments with preferred rights at amortised cost

The financial instruments with preferred rights represent the paid-in capital and capital reserve of certain subsidiaries received from the certain non-controlling shareholders ("Investors"). The Group recognised the financial instruments with preferred rights as financial liabilities considering that the triggering events for the redemption rights are out of the control of the Group and these financial instruments do not meet the definition of equity for the Group. The financial liabilities were initially measured at fair value and subsequently measured at amortised cost. The fair value for initial recognition represented the present value of the amount expected to be paid to the Investors upon redemption which was assumed at the dates of issuance of the financial instruments. Interests from the financial instruments were charged to finance cost.

During the six months ended June 30, 2026, these subsidiaries of the Group received capital injection with total consideration of RMB50,000,000 from the Investors. The Group recognised non-controlling interests of RMB50,000,000 and debited other reserves to reflect the carrying amount of the financial instruments amounted of RMB50,000,000. As at June 30, 2026, the interests from the financial instruments were not material.

(d) (Losses)/gains on the changes in fair value of preferred share and other financial liabilities

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Changes in fair value of preferred shares issued by a subsidiary	**(20,063)**	(18,623)
Losses attributable to changes in credit risk of above financial instruments recognised in other comprehensive loss	**(4,633)**	(3,848)
Changes on net asset value of investment funds attributable to limited partners	**(3,197,634)**	19,784

29 SHARE-BASED COMPENSATION PLANS

(a) Share-based compensation plans issued by the Company

Starting from 2016, the board of directors approved the restricted shares plan ("Pre-IPO RSU Plan"), share option plan and Post-IPO restricted shares plan ("2022 RSU Scheme") for the purpose of providing incentive for certain directors, senior management members, employees and any other eligible participants contributing to the Group.

(i) Pre-IPO RSU Plan and 2022 RSU Scheme

On November 2, 2016, 68,697 RSUs were granted to employees and the exercise price of all RSUs was HKD0.7789 per share. Total number of RSUs was 686,970,000 after share split with a ratio of 1:10,000 and the exercise price was HKD0.00007789 on April 9, 2018. As at June 30, 2026 and December 31, 2025, all RSUs were exercised.

Pursuant to resolution of extraordinary general meeting of the Company approved on September 29, 2025, 1,360,000,000 RSUs were granted on September 4, 2025 and will be vested between 2026 and 2031 on a half-yearly basis, provided that the first vesting date shall be no less than 12 months from the date of the grant. The vesting of these RSUs is conditional upon the achievement of the performance targets as determined by the board or its authorised representative. Share-based compensation expenses were not recognised since the vesting conditions such as performance targets were not determined.

On January 2, 2026, 300,000,000 RSUs were granted to a certain eligible participant and will be vested in the period from 12 months to 70 months after the date of the grant, provided that the first vesting date shall be no less than 12 months from the date of the grant. The vesting of these RSUs is conditional upon the achievement of the performance targets as determined by the chairman of the board. Share-based compensation expenses were not recognised since the vesting conditions such as performance targets were not determined.

During the six months ended June 30, 2026, 250,535,714 RSUs were granted to eligible participants under 2022 RSU Scheme.

For the Six Months Ended June 30, 2026

29 SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) Share-based compensation plans issued by the Company (continued)

(i) Pre-IPO RSU Plan and 2022 RSU Scheme (continued)

During 2026, 250,535,714 RSUs were granted to eligible participants under 2022 RSU Scheme. Movements in the number of restricted shares granted during the six months ended June 30, 2026 are as follows:

	Six months ended June 30, 2026 (Unaudited) Number of RSUs	Six months ended June 30, 2025 (Unaudited) Number of RSUs
At beginning of the period	**399,257,764**	–
Granted	**250,535,714**	311,333,631
Vested	**(92,552,703)**	–
Forfeited	**(13,969,162)**	(6,770,798)
At end of the period	**543,271,613**	304,562,833

The fair value as at the grant date of 2022 RSU Scheme is RMB1,117,037,000 and determined by the share price of the Group at the grant date.

(ii) Share option plan

Movements in the number of share options granted and their related weighted average exercise price during the six months ended June 30, 2026 are as follows:

	Six months ended June 30,			
	2026 (Unaudited)		2025 (Unaudited)	
	Average exercise price per share option (HKD)	**Number of options**	Average exercise price per share option (HKD)	Number of options
At beginning of the period	**0.60**	**540,468,191**	0.63	821,007,004
Granted	**–**	**–**	–	–
Exercised	**0.65**	**(62,303,771)**	0.71	(54,294,051)
Forfeited	**0.78**	**(6,243,958)**	0.78	(51,158,067)
At end of the period	**0.59**	**471,920,462**	0.61	715,554,886

No options expired during the period covered by the above tables.

As at June 30, 2026, 432,423,751 options were vested but not exercised (June 30, 2025: 442,278,879).

29 SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) Share-based compensation plans issued by the Company (continued)

(ii) Share option plan (continued)

Share options outstanding at the end of the period have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price (HKD)	Number of share options June 30, 2026 (Unaudited)	Number of share options December 31, 2025
February 1, 2019	February 1, 2026	0.78 or 0.22 or *	–	3,898,538
June 30, 2019	June 30, 2026	0.78	–	2,021,702
January 1, 2020	January 1, 2027	0.78 or 0.22 or *	38,790,813	42,913,686
July 1, 2020	July 1, 2027	0.78	981,112	981,112
January 1, 2021	January 1, 2028	0.78 or 0.22 or *	84,816,605	96,695,639
July 1, 2021	July 1, 2028	0.78 or 0.22	1,371,347	1,607,716
January 1, 2022	January 1, 2029	0.78	22,267,567	27,920,233
July 1, 2022	July 1, 2029	0.78	953,423	1,224,948
September 13, 2022	September 13, 2029	0.78	79,338,212	92,877,392
January 1, 2023	January 1, 2030	0.78	6,968,080	9,798,116
April 1, 2023	April 1, 2030	0.78	29,689,492	33,753,390
July 1, 2023	July 1, 2030	0.78	13,552,697	15,195,870
January 1, 2024	January 1, 2031	0.78	32,893,740	41,154,401
April 25, 2024	April 25, 2031	0.78 or 0.01	157,272,663	166,863,103
May 28, 2024	May 28, 2031	0.78	3,024,711	3,562,345
			471,920,462	540,468,191

* represents that the amount is less than HKD0.01 for respective periods.

For the Six Months Ended June 30, 2026

29 SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) Share-based compensation plans issued by the Company (continued)

(iii) Fair value estimation of the share options

The fair value as at the grant dates of each of the share-based compensation plans are summarised as follows:

	January 1, 2024 RMB'000	April 25, 2024 RMB'000	May 28, 2024 RMB'000
Share options	46,039	129,146	3,128

Share options

The fair value of the share options is determined by the binomial option-pricing model at the grant date, which is to be expensed over the respective vesting periods. Significant estimates on assumptions, including risk-free interest rate, expected volatility, dividend yield, and terms, are made by the management and third-party valuers. Before listing, the equity allocation method has been applied in the determination of the fair value of each class of the shares in the Company, which requires considering the rights and preferences of each class of shares and back solving for the total equity value that is consistent with a recent transaction in the Company's own securities, considering the rights and preferences of each class of shares.

The directors of the Company estimated the risk-free interest rate based on the yield of curve of US Treasury strips with a maturity life close to the option life of the share option. Expected volatility was estimated at grant date based on average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share option. Time to maturity is based on the term agreements at the grant date.

The fair value of the share options granted have been valued by an independent qualified valuer using the Binomial valuation model as at each grant date. Key assumptions are set as below:

Grant date	Risk-free interest rate	Expected volatility	Time to maturity
January 1, 2024	3.09%	52.67%	7 years
April 25, 2024	3.80%	53.95%	7 years
May 28, 2024	3.69%	53.80%	7 years

29 SHARE-BASED COMPENSATION PLANS (CONTINUED)

(b) Share-based compensation plans issued by the certain subsidiaries

Certain subsidiaries of the Company operate their own share-based compensation plans. Their exercise prices of the share options and the vesting periods of the share options are determined by the Administrative Committee of the Group and in accordance with the relevant rules.

(c) During the six months ended June 30, 2026, the amounts of share-based compensation expenses charged to administrative expenses, research and development expenses and selling expenses are as follow:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Selling expenses	**25,734**	13,973
Administrative expenses	**88,952**	62,625
Research and development expenses	**110,690**	76,652
	225,376	153,250

For the Six Months Ended June 30, 2026

30 TRADE AND OTHER PAYABLES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Notes payables	–	29
Trade payables		
– Third parties	1,207,607	679,482
– Related parties (Note 33(c))	11,732	2,522
Other payables		
– Third parties	542,912	624,129
– Related parties (Note 33(c))	66,574	52,181
Payables on purchase of property, plant and equipment and intangible assets	541,912	357,103
Accrued taxes other than income tax	10,279	60,923
Staff salaries and welfare payables	195,483	287,596
VAT payables related to contract liabilities	24,008	21,482
Accrued warranty expenses	1,000	4,911
	2,601,507	2,090,358

Aging analysis of the notes and trade payables based on purchase date at the end of June 30, 2026 are as follows:

	As at June 30 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Up to 6 months	1,085,357	540,971
6 months to 1 year	9,877	13,612
1 to 2 years	24,881	27,098
More than 2 years	99,224	100,352
	1,219,339	682,033

For the Six Months Ended June 30, 2026

31 BORROWINGS

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Non-Current		
Bank borrowing – secured and guaranteed	**222,271**	–
Bank borrowing – secured	**3,481,144**	3,611,939
Bank borrowing – guaranteed	**823,120**	1,156,745
Bank borrowing – unsecured and unguaranteed	**39,400**	39,400
Less: current portion of non-current borrowings	**(751,807)**	(1,097,749)
	3,814,128	3,710,335
Current		
Short-term bank borrowing – guaranteed	**942,073**	330,500
Short-term borrowing – unsecured and unguaranteed	**565,043**	582,266
Current portion of non-current borrowings	**751,807**	1,097,749
Interest payable	**3,393**	3,735
	2,262,316	2,014,250
	6,076,444	5,724,585

For the Six Months Ended June 30, 2026

31 BORROWINGS (CONTINUED)

Secured and guaranteed bank borrowings

As at June 30, 2026, the Group had a non-current bank borrowing with carrying amount of RMB222,271,000 which was pledged by large-scale electronic equipment with a carrying amount of RMB250,356,000 (Note 14(b)). This non-current bank borrowing was also guaranteed by Shanghai SenseTime.

Secured bank borrowings

As at June 30, 2026, the Group had non-current bank borrowings with carrying amount of RMB1,836,004,000 (December 31, 2025: RMB1,932,039,000) which was pledged by equity interest of Shanghai Yuqin Information Technology Co., Ltd. ("Shanghai Yuqin") and joint liability guarantee from Shanghai Yuqin and Shanghai SenseTime. In addition, certain buildings (Note 14(a)) with a carrying amount of RMB922,649,000 and land use right with a carrying amount of RMB59,781,000 (Note 15) (December 31, 2025: buildings with a carrying amount of RMB953,089,000 and land use right with a carrying amount of RMB60,455,000) respectively were also pledged as collaterals for this bank borrowing.

As at June 30, 2026, the Group had non-current bank borrowings with carrying amount of RMB1,645,140,000 which was pledged by certain building with a carrying amount of RMB301,646,000 (Note 14(a)) in property, plant and equipment and RMB2,507,845,000 (Note 16) in investment properties (December 31, 2025: bank borrowing with carrying amount of RMB1,650,140,000 which was pledged by certain buildings with a carrying amount of RMB584,833,000 in property, plant and equipment and RMB2,512,134,000 in investment properties) respectively as a collateral for the Group's borrowings.

Guaranteed bank borrowings

As at June 30, 2026, the Group had non-current bank borrowings with carrying amount of RMB139,000,000 for public rental housing, which was guaranteed by a state-owned property developer before the property registration is ready. After that, this borrowing will be guaranteed by Shanghai SenseTime and be pledged by the public rental housing itself as a collateral (December 31, 2025: borrowings with carrying amount of RMB140,000,000).

As at June 30, 2026, the Group had non-current bank borrowings with carrying amount of RMB409,380,000 which were guaranteed by SenseTime Group Limited (December 31, 2025: bank borrowings with amount of RMB578,725,000).

As at June 30, 2026, the Group had non-current bank borrowings with carrying amount of RMB109,100,000 which were guaranteed by Beijing SenseTime (December 31, 2025: bank borrowings with carrying amount of RMB109,200,000).

As at June 30, 2026, the Group had non-current bank borrowings with carrying amount of RMB165,640,000 which were guaranteed by Shanghai SenseTime (December 31, 2025: bank borrowings with carrying amount of RMB328,820,000).

As at June 30, 2026, the Group had current bank borrowings with carrying amount of RMB931,573,000 which were guaranteed by SenseTime Group Limited (December 31, 2025: RMB320,000,000 which were guaranteed by SenseTime Group Limited).

31 BORROWINGS (CONTINUED)

Guaranteed bank borrowings (continued)

As at June 30, 2026, the Group had current bank borrowings with carrying amount of RMB10,500,000 which were guaranteed by Shanghai SenseTime (December 31, 2025: RMB10,500,000 which were guaranteed by Shanghai SenseTime).

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates of the borrowings at the end of the reporting period are as follows:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
6 months or less	**870,123**	1,277,936
Between 6 and 12 months	**1,388,800**	732,579
Between 1 and 2 years	**831,483**	570,970
Between 2 and 5 years	**1,335,255**	1,460,725
Over 5 years	**1,647,390**	1,678,640
	6,073,051	5,720,850

The aggregate principal amounts of bank borrowing and applicable interest rates are as follows:

	As at June 30, 2026		As at December 31, 2025	
	Amount RMB'000 (Unaudited)	**Interest rate Per annum (Unaudited)**	Amount RMB'000	Interest rate Per annum
RMB bank borrowings	**6,073,051**	**1.48%~2.80%**	5,720,850	1.48%~3.80%

As at June 30, 2026, the carrying amounts of bank borrowings approximated their fair values since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

For the Six Months Ended June 30, 2026

31 BORROWINGS (CONTINUED)

The Group had complied with all of the financial covenants of its borrowings for the six months ended June 30, 2026 (for the six months ended June 30, 2025: complied with all the financial covenants of its borrowings). Under the terms of major bank borrowings, with a carrying amount of RMB1,836,004,000 (December 31, 2025: RMB1,938,182,000), the respective subsidiary is required to comply with the financial covenants starting from January 1, 2025:

- the debt to asset ratio must be not more than 70%;
- the interest coverage ratio must be not less than 5%;
- the debt service coverage ratio must be not less than 130%;
- the net assets of the subsidiary must be not less than RMB2 billion; and
- the revenue of the subsidiary must be not less than RMB1 billion.

Based on the directors assessment, the Group would have no difficulty complying with the covenants when they will be next tested as at December 31, 2026.

As at June 30, 2026 the weighted average effective interest rate for borrowings was 2.40% (December 31, 2025: 2.52%).

32 CAPITAL COMMITMENTS

Significant capital expenditure commitments are set out below:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Construction in process	**101,000**	66,000
Property, plant and equipment	**748,161**	283,000
Capital contribution to financial assets at fair value through profit or loss	**50,000**	360,500
	899,161	709,500

33 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 operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

(a) Information on related parties and their relationships with the Group are as follows:

Name of related parties	Relationship with the Group
Shanghai Artificial Intelligence Research Institute Co., Ltd. (上海人工智能研究院有限公司, "SAIRI")	Associate of the Group
Hangzhou Shang Jing Yun Intelligent Technology Co., Ltd. (杭州商警雲智能科技有限公司, "Shang Jing Yun")	Associate of the Group
Beijing Linkface Technology Co., Ltd. (北京今始科技有限公司, "Linkface")	Associate of the Group
Shangyu Technology (Beijing) Co., Ltd. (商予科技(北京)有限公司, "Shangyu")	Associate of the Group
Intelligent Computing Cloud (Chongqing) Technology Co., Ltd. (智算雲(重慶)科技有限公司, "ICC")	Associate of the Group
Hainan Jason Si Technology Co., Ltd. (海南傑森思科技有限公司, "Hainan Jason Si")	Associate of the Group
Zhejiang Sunrise Intelligent Technology Co., Ltd. and its subsidiaries (浙江曦望智能科技股份有限公司, "Sunrise")	Associate of the Group
Minghan Intelligent (Shenzhen) Co., Ltd. (銘翰智能(深圳)有限責任公司, "Minghan Intelligent")	Associate of the Group
SenseTime Dongnan (Fujian) Technology Co., Ltd. (商湯東南(福建)科技有限公司, "Fujian Dongnan")	Associate of the Group
Jiangsu Shang He Yi Intelligent Technology Co., Ltd. (江蘇商合一智能科技有限公司, "Shang He Yi")	Associate of the Group
Shanghai Wanwu Shengzhang Technology Development Co., Ltd. (上海萬物昇長技術開發有限公司, "SWS")	Associate of the Group
Shanghai Xuanyang Sports Technology Co., Ltd. (上海玄羊體育科技有限公司, "Xuanyang Sports")	Associate of the Group
Shanghai Bizhi Intelligent Technology Co., Ltd. (上海畢至智能科技有限公司, "Bizhi Intelligent")	Associate of the Group
Shenzhen Tian Yuan Xing Technology Co., Ltd. (深圳天元興科技有限公司, "Tian Yuan Xing")	Associate of the Group
Wuxi Imvision Innovation Technology Development Co., Ltd. and its subsidiaries (無錫影微創新科技發展有限公司及其子公司, "Wuxi Imvision")	Associate of the Group
Shanghai Lingang SenseAuto Intelligent Technology Co., Ltd. and its subsidiaries (上海臨港絕影智能科技有限公司及其子公司, "Lingang SenseAuto")	Associate of the Group

For the Six Months Ended June 30, 2026

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Information on related parties and their relationships with the Group are as follows: (continued)

Name of related parties	Relationship with the Group
Shanghai Yingsu Intelligent Technology Co., Ltd. (上海影溯智能科技有限公司, "Yingsu")	Associate of the Group
Shanghai ACE Robotics Co., Ltd. (上海大曉無限機器人有限公司, "ACE Robotics")	Associate of the Group
Shangyun Intelligence (Kunming) Technology Co., Ltd. (商雲智能(昆明)科技有限公司, "Kunming Shangyun")	Associate of the Group
Chongqing SenseTime Technology Co., Ltd. (重慶商湯科技有限公司, "Chongqing SenseTime")	Associate of the Group
Shanghai Sensetime Shancui Medical Technology Co., Ltd. and its subsidiaries (上海商湯善萃醫療科技有限公司及其子公司, "Shanghai Shancui") (i)	Joint venture of the Group
Shanghai Lingang Yuanqi Intelligent Technology Co., Ltd. (上海臨港元企智能科技有限公司, "Lingang Yuanqi")	Joint venture of the Group
Huangpu Intelligent Computing (Guangzhou) Co., Ltd. (黃埔智算(廣州)有限公司, "Huangpu Intelligent")	Joint venture of the Group
Seno China Limited	Joint venture of the Group
Hong Kong AI & Data Laboratory Limited	Joint venture of the Group
Shandong Hoooon Toy Co., Ltd. (山東轟轟智能機器人有限公司, "Shandong Hoooon")	Investment with significant influence
Zero Sports AI Beijing Co., Ltd. (賽事之窗(北京)科技有限公司, "Zero Sports AI")	Investment with significant influence
Chengdu Lu Xingtong Information Technology Co., Ltd. (成都路行通信息技術有限公司, "Lu Xingtong")	Investment with significant influence

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Information on related parties and their relationships with the Group are as follows: (continued)

Name of related parties	Relationship with the Group
Shanghai Sun Vision Intelligent Technology Co., Ltd. (上海光方迅視智能科技有限公司, "Sun Vision")	Investment with significant influence
Shanghai Hengdao Medical Pathology Diagnosis Center Co., Ltd. (上海衡道醫學病理診斷中心有限公司, "Shanghai Hengdao")	Investment with significant influence
MantisVision Technologies Co., Ltd. (螳螂慧視科技有限公司, "Tanglang")	Investment with significant influence
Shanghai Linguniverse Technology Development Co., Ltd. (上海靈宇宙科技發展有限公司, "Shanghai Linguniverse")	Investment with significant influence
Zhejiang Helian Network Technology Co., Ltd. (浙江禾連網絡科技有限公司, "Zhejiang Helian")	Investment with significant influence
Lumos Robotics Technology (Shenzhen) Co., Ltd. (鹿明機器人科技(深圳)有限公司, "Lumos Robotics")	Investment with significant influence
Shenzhen ThinkFlow Technology Co., Ltd. (深圳想法流科技有限公司, "ThinkFlow")	Investment with significant influence
2033 Technology (Suzhou) Co., Ltd. and its subsidiaries (二零叁三科技(蘇州)有限公司及其子公司, "2033 Suzhou")	Investment with significant influence
Fujian Intelligent Computing Ark Technology Co., Ltd. (福建智算方舟科技有限公司, "Fujian Intelligent")	Investment with significant influence
Weiye Intelligent Computing (Beijing) Technology Co., Ltd. (煒燁智算(北京)科技有限公司, "Weiye Intelligent")	Investment with significant influence

(i) Shanghai Shancui has transferred from subsidiaries to joint ventures on January 1, 2026.

For the Six Months Ended June 30, 2026

33 RELATED PARTY TRANSACTIONS (CONTINUED)

In the opinion of the Company's directors, the related party transactions were conducted in the ordinary course of business and based on terms mutually agreed by the underlying parties. Related party transactions of the Group during the six months ended June 30, 2026 include:

(b) Transactions with related parties

(i) Sale of products or provision of services

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
ACE Robotics	**58,327**	–
Lingang SenseAuto	**55,309**	–
Shanghai Shancui	**9,811**	–
Wuxi Imvision	**8,320**	–
Yingsu	**5,331**	–
ThinkFlow	**947**	–
Sunrise	**898**	9,408
Kunming Shangyun	**820**	–
Weiye Intelligent	**820**	–
Lumos Robotics	**620**	–
Tian Yuan Xing	**376**	94
Shangyu	**108**	385
Xuanyang Sports	**100**	–
ICC	**–**	7
SAIRI	**–**	45
Bizhi Intelligent	**–**	2,979
	141,787	12,918

For the Six Months Ended June 30, 2026

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties (continued)

(ii) Purchase of products or services

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Lingang Yuanqi	**61,813**	31,691
ACE Robotics	**8,389**	–
Tian Yuan Xing	**4,998**	–
Sun Vision	**3,108**	681
Lingang SenseAuto	**1,351**	–
Bizhi Intelligent	**440**	–
Shanghai Shancui	**281**	–
Kunming Shangyun	**47**	–
Shanghai Linguniverse	**20**	–
Shandong Hoooon	**15**	15
Shangyu	**–**	187
	80,462	32,574

For the Six Months Ended June 30, 2026

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties (continued)

(iii) Government grants received on behalf of a related party

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Shanghai Hengdao	**–**	500

(iv) Key management compensation

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

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Wages, salaries and bonuses	**7,944**	8,638
Pension costs – defined contribution plans	**68**	108
Other social security costs, housing benefits and other employee benefits	**74**	192
Share-based compensation expenses	**96**	1,811
	8,182	10,749

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties

(i) Trade receivables

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000
Lingang SenseAuto	206,998	235,777
Wuxi Imvision	61,090	78,390
ACE Robotics	35,878	8,905
Shanghai Shancui	20,157	–
Fujian Intelligent	11,400	11,400
Weiye Intelligent	9,416	15,560
ThinkFlow	3,554	3,000
Shang Jing Yun	2,391	2,391
Yingsu	1,920	2,488
Sun Vision	791	791
Lumos Robotics	658	–
Kunming Shangyun	649	297
Huangpu Intelligent	500	500
Shangyu	248	207
Bizhi Intelligent	130	280
Sunrise	115	174
Xuanyang Sports	26	–
Zhejiang Helian	–	7,700
Shanghai Linguniverse	–	364
2033 Suzhou	–	227
	355,921	368,451
Less: provision for impairment	(7,348)	(8,605)
	348,573	359,846

For the Six Months Ended June 30, 2026

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties (continued)

(ii) Other receivables – non-trade in nature

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000
Chongqing Sense Time	11,103	9,703
Wuxi Imvision	8,413	8,869
ACE Robotics	1,268	3,942
Hong Kong AI & Data Laboratory Limited	869	903
Sunrise	38	3,550
Xuanyang Sports	37	37
Lingang SenseAuto	25	25
Shanghai Shancui	13	–
Yingsu	3	337
Linkface	–	666
Tian Yuan Xing	–	255
	21,769	28,287
Less: provision for impairment	(1,132)	(1,134)
	20,637	27,153

(iii) Trade payables

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000
ACE Robotics	6,960	–
Shanghai Shancui	3,811	–
Sun Vision	387	2,059
Lingang SenseAuto	311	355
Tian Yuan Xing	208	–
Bizhi Intelligent	55	30
Sunrise	–	78
	11,732	2,522

For the Six Months Ended June 30, 2026

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties (continued)

(iv) Other payables

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000
Non-trade		
Shanghai Hengdao	500	500
Seno China Limited	–	655
Trade		
Lingang Yuanqi	32,171	10,284
ACE Robotics	20,951	413
Shanghai Shancui	5,377	–
Lingang SenseAuto	5,159	3,682
Sun Vision	2,395	260
Shanghai Linguniverse	21	–
Sunrise	–	25,007
Chongqing Sense Time	–	8,703
Tian Yuan Xing	–	2,443
Wuxi Imvision	–	174
Bizhi Intelligent	–	60
	66,574	52,181

For the Six Months Ended June 30, 2026

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties (continued)

(v) Prepayment

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000
Sun Vision	13,125	–
Tian Yuan Xing	531	2,078
Lingang Yuanqi	–	93
	13,656	2,171

(vi) Contract liabilities

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Shangyu	347	318
Tian Yuan Xing	255	2
ICC	183	183
Sunrise	99	–
Lu Xingtong	54	54
Bizhi Intelligent	50	–
	988	557

These balances with related parties are unsecured, interest-free and repayable on demand.

34 CONTINGENCIES

As at June 30, 2026, there were no significant contingencies items for the Group.

35 EVENTS AFTER THE BALANCE SHEET DATE

There were no material subsequent events during the period from July 1, 2026 to the approval date of the interim financial information by the Board.

Directors' Interests and Short Positions in Shares, Underlying shares and Debentures of the Company or any Associated Corporations

As at June 30, 2026, so far as the Directors are aware, the interests or short positions of the Directors and the chief executive in any Shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which have 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 have been taken or deemed to have been taken under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in Shares of the Company

Name	Nature of interest[1]	Number and class of shares held	Approximate percentage of shareholding of the relevant class of shares in our Company[2]	Approximate percentage of shareholding in the issued and outstanding share capital of our Company[2]
Class A Shares – Dr. Xu Li				
XWorld[3]	Beneficial interest	286,317,668 Class A Shares	56.16%	0.68%
Dr. Xu Li	Interest in a controlled corporation	286,317,668 Class A Shares	56.16%	0.68%
Class A Shares – Dr. Wang Xiaogang				
Infinity Vision[4]	Beneficial interest	223,526,705 Class A Shares	43.84%	0.53%
Dr. Wang Xiaogang	Interest in a controlled corporation	223,526,705 Class A Shares	43.84%	0.53%
Class B Shares – Dr. Xu Li				
Dr. Xu Li[5]	Beneficial interest	1,170,386,529 Class B Shares	2.81%	2.77%
Class B Shares – Dr. Wang Xiaogang				
Dr. Wang Xiaogang[6]	Beneficial interest	502,140,243 Class B Shares	1.20%	1.19%
Infinity Vision[4]	Beneficial interest	8,644,928 Class B Shares	0.02%	0.02%
Dr. Wang Xiaogang	Interest in a controlled corporation	8,644,928 Class B Shares	0.02%	0.02%
Class B Shares – Mr. Wang Zheng				
Mr. Wang Zheng[7]	Beneficial interest	194,749,686 Class B Shares	0.47%	0.46%

Name	Nature of interest[(1)]	Number and class of shares held	Approximate percentage of shareholding of the relevant class of shares in our Company[(2)]	Approximate percentage of shareholding in the issued and outstanding share capital of our Company[(2)]
Class B Shares – Dr. Lin Dahua				
Dr. Lin Dahua[(8)]	Beneficial interest	298,441,401 Class B Shares	0.72%	0.71%
Dr. Lin Dahua[(9)]	Interest of spouse	19,000 Class B Shares	0.00%	0.00%
Class B Shares – Mr. Yang Fan				
Mr. Yang Fan[(10)]	Beneficial interest	239,002,779 Class B Shares	0.57%	0.57%
Class B Shares – Ms. Fan Yuanyuan				
Ms. Fan Yuanyuan[(11)]	Interest of spouse	500,000 Class B Shares	0.00%	0.00%

Notes:

(1) All interests stated are long position.

(2) The calculations are based on the number of Shares in issue as at June 30, 2026. As at June 30, 2026, 509,844,373 Class A Shares and 41,706,746,330 Class B Shares were in issue.

(3) The entire interest in XWorld is held by Dr. Xu Li.

(4) The entire interest in Infinity Vision is held by Dr. Wang Xiaogang.

(5) Such interest includes 600,000,000 underlying Class B Shares in respect of the RSUs granted pursuant to the 2022 RSU Scheme, which has not vested as at June 30, 2026.

(6) Such interest includes 200,000,000 underlying Class B Shares in respect of the RSUs granted pursuant to the 2022 RSU Scheme, which has not vested as at June 30, 2026.

(7) Such interest includes (i) 13,080,197 Class B Shares held through SenseTalent; (ii) 21,669,489 share options under the pre-IPO employee incentive scheme adopted by the Company dated November 1, 2016 (as amended from time to time) which are exercisable into 21,669,489 existing Class B Shares held by SenseTalent in accordance with the terms and conditions thereunder; and (iii) 160,000,000 underlying Class B Shares in respect of the RSUs granted pursuant to the 2022 RSU Scheme, which has not vested as at June 30, 2026.

(8) Such interest includes 200,000,000 underlying Class B Shares in respect of the RSUs granted pursuant to the 2022 RSU Scheme, which has not vested as at June 30, 2026.

(9) Such 19,000 Class B Shares were held by Ms. Chen Lei, the spouse of Dr. Lin Dahua. Under the SFO, Dr. Lin Dahua is deemed to be interested in the same number of Shares in which Ms. Chen Lei is interested.

(10) Such interest includes (i) 28,852,469 Class B Shares held through SenseTalent; (ii) 10,150,310 share options under the pre-IPO employee incentive scheme adopted by the Company dated November 1, 2016 (as amended from time to time) which are exercisable into 10,150,310 existing Class B Shares held by SenseTalent in accordance with the terms and conditions thereunder; and (iii) 200,000,000 underlying Class B Shares in respect of the RSUs granted pursuant to the 2022 RSU Scheme, which has not vested as at June 30, 2026.

(11) Such 500,000 Class B Shares were held by Mr. Yu Jiangtao, the spouse of Ms. Fan Yuanyuan. Under the SFO, Ms. Fan Yuanyuan is deemed to be interested in the same number of Shares in which Mr. Yu Jiangtao is interested.

Interest in associated corporations of the Company

Name	Name of associated corporation	Nature of interest[(1)]	Number and class of shares held	Approximate percentage of shareholding
Dr. Xu Li[(3)]	Shanghai Bizzhi Intelligent Technology Co., Ltd.	Interest in controlled corporation	1,800,000[(2)]	23.08%
Dr. Wang Xiaogang[(4)]	Shanghai ACE Robotics Co., Ltd.	Interest in controlled corporation	8,000,000[(2)]	5.20%

Notes:

(1) All interests stated are long position.

(2) The associated corporations do not have issued share capital. The shares refer to every 1 RMB in the registered capital of the associated corporations.

(3) Dr. Xu Li is deemed to be interested in 23.08% of the registered capital of Shanghai Bizzhi Intelligent Technology Co., Ltd. through TimeSymphony Investment Limited, which is wholly owned by Dr. Xu Li.

(4) Dr. Wang Xiaogang is deemed to be interested in 5.20% of the registered capital of Shanghai ACE Robotics Co., Ltd. through Dawnshift Robotics Investment Limited, which is wholly owned by Dr. Wang Xiaogang.

Save as disclosed above, as at June 30, 2026, so far as the Directors are aware, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which have 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 he is taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying shares of the Company

As at June 30, 2026, so far as the Directors are aware, other than the Directors and the chief executive, the following persons had interests and/or short positions (as applicable) in the Shares or underlying shares of the Company that fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Interests in Shares of the Company

Name	Nature of interest[1]	Number and class of shares held	Approximate percentage of shareholding of each class of shares in our Company[2]	Approximate percentage of shareholding in the issued and outstanding share capital of our Company[2]
Class B Shares – Amind Inc.				
Amind Inc.[3]	Beneficial interest	6,906,080,602 Class B Shares	16.56%	16.36%
Dr. Yang Qiumei[3]	Interest in a controlled corporation	6,906,080,602 Class B Shares	16.56%	16.36%

Notes:

(1) All interests stated are long position.

(2) The calculations are based on the number of Shares in issue as at June 30, 2026. As at June 30, 2026, 509,844,373 Class A Shares and 41,706,746,330 Class B Shares were in issue.

(3) As the entire interest of Amind Inc. is held by Dr. Yang Qiumei, Dr. Yang Qiumei is deemed to be interested in the 6,906,080,602 Class B Shares held by Amind Inc.

Save as disclosed above, as at June 30, 2026, so far as the Directors are aware, no other person (other than the Directors and chief executives of the Company) had any interest or short position in the shares or underlying shares of the Company which fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

SHARE INCENTIVE SCHEMES

The Company has adopted three share incentive schemes, including the Pre-IPO RSU Plan, the Pre-IPO ESOP and the 2022 RSU Scheme. As at the date of this interim report, the Board has resolved that no further grant will be made under the Pre-IPO RSU Plan and the Pre-IPO ESOP. However, the subsisting rights of the grantees under the Pre-IPO RSU Plan and the Pre-IPO ESOP remain unaffected.

Pre-IPO RSU Plan

The following is a summary of the principal terms of the Pre-IPO RSU Plan of the Company as approved by the Board on November 1, 2016 and amended from time to time. As the Pre-IPO RSU Plan involves grant of RSU Awards which are funded by existing Class B Shares of the Company, upon the revised Chapter 17 of the Listing Rules coming into effect in January 2023, the Pre-IPO RSU Plan constitutes a share scheme which is funded by existing shares of the Company under Chapter 17 of the Listing Rules.

Purpose

The purpose of the Pre-IPO RSU Plan is to establish a comprehensive long-term incentive scheme of the Group, to motivate, attract and retain talents, and to share the Company's success with the participants.

Effectiveness and Duration

The original validity period of the Pre-IPO RSU Plan was ten years commencing on the adoption date of November 2, 2016. As disclosed in the announcement of the Company dated June 26, 2024 and as of the date of this interim report, the Board has resolved that no further grant will be made under the Pre-IPO RSU Plan. However, the subsisting rights of the grantees under the Pre-IPO RSU Plan remain unaffected.

Administration

The Pre-IPO RSU Plan shall be subject to the administration of the Board and the management of the Company (the "**RSU Administrators**") in accordance with the terms and conditions of the Pre-IPO RSU Plan, and the decision of the Board will be final and binding on all parties. The RSU Administrators may, from time to time, select the participants to whom a restricted stock unit ("**RSU Awards**") may be granted.

The RSU Administrators have the right to, among others: (i) interpret and construe the provisions of the Pre-IPO RSU Plan; (ii) determine the persons who will be granted RSU Awards under the Pre-IPO RSU Plan, the terms and conditions on which RSU Awards are granted and when the RSUs granted pursuant to the Pre-IPO RSU Plan may be exercised; and (iii) make such other decisions or determinations as it shall deem necessary for the administration of the Pre-IPO RSU Plan.

Participants

The eligible participants in the Pre-IPO RSU Plan (the "**Pre-IPO RSU Participants**") include (i) key management team and key technical staff of the Group who have been continuously working in the Group for no less than one year and key core employees who have direct impact on the Group's performance and development; and (ii) any other persons who, in the sole opinion of the RSU Administrators, have contributed or will contribute to the Group significantly.

Maximum number of Shares

The maximum number of Shares underlying the Pre-IPO RSU Plan ("**RSU Limit**") is 492,327,394 Shares, all of which have been issued and held by SenseTalent. The RSU Limit represents approximately 1.17% of the total issued Shares as at the date of this interim report. There is no maximum limit of Class B Shares which may be awarded to any one Participant under the Pre-IPO RSU Plan.

Terms and Conditions of RSU Award

Grant of RSU Awards

The RSU Administrators may, from time to time, select the Pre-IPO RSU Participants to whom a grant of an RSU Award may be made. The amount of an RSU Award may be determined at the sole and absolute discretion of the RSU Administrators and may differ among selected Pre-IPO RSU Participants.

Acceptance of RSU Awards

If the selected person intends to accept the offer of grant of RSU Awards as specified in the grant letter, he or she is required to sign the grant notice and return it to the Company within the time period pursuant to the terms of the Pre-IPO RSU Plan. No consideration is payable by the selected person upon the acceptance of an RSU Award. Upon the receipt from the selected person of a duly executed grant notice, the RSU Awards are granted to such person, who becomes a grantee pursuant to the Pre-IPO RSU Plan.

Conditions of RSU Awards

Subject to the terms of the Pre-IPO RSU Plan, the RSU Awards may be granted on such terms and conditions as the RSU Administrators may determine, provided such terms and conditions shall be consistent with any other terms and conditions of the Pre-IPO RSU Plan.

Rights attached to RSU Awards

A Pre-IPO RSU Participant does not have any contingent interest in any Shares underlying an RSU Award unless and until such Shares are actually transferred to the Pre-IPO RSU Participant. Unless otherwise determined by the Board in its entire discretion, the Pre-IPO RSU Participants may not exercise voting rights in respect of the Shares underlying their RSU Awards. The Pre-IPO RSU Participants have the rights to any dividends or distributions from any Shares underlying an RSU Award.

Exercise of RSU Awards

RSU Awards held by the Pre-IPO RSU Participants were exercised on December 30, 2016. The exercise price per RSU Award was HKD0.00007789. Any RSUs or any Share underlying any RSUs shall not be transferred or sold prior to the Listing unless approved by the Board. After the Listing, subject to the lock-up period and restrictions set forth under the Pre-IPO RSU Plan and the sole discretion of the Board, the Pre-IPO RSU Participants may dispose of part or all of the Shares underlying their RSU Awards to any third party (other than anyone who, in the opinion of the RSU Administrators or the Board, are the Company's actual or potential competitors, hostile acquirers, or anyone who will adversely affect the Company's operations) at terms and conditions negotiated between the Pre-IPO RSU Participants and the transferees.

Alteration and Termination of the Pre-IPO RSU Plan

The terms of the Pre-IPO RSU Plan may be altered or amended in any respect by the Board provided that such alteration or amendment shall not affect any subsisting rights of any grantee thereunder. Also, the Pre-IPO RSU Plan may be terminated at any time prior to the expiry of its term by the Board. As at the date of this interim report, the Board has resolved that no further grant will be made under the Pre-IPO RSU Plan, but the subsisting rights of the grantees will remain unaffected.

RSUs granted under the Pre-IPO RSU Plan

Prior to the Reporting Period, the Pre-IPO RSU Plan has been fully granted up to its RSU Limit (i.e. 492,327,394 Shares) to a total of 59 grantees (including Directors, members of senior management and other connected persons of the Company). As disclosed above, all the RSUs granted were fully exercised by the Pre-IPO RSU Participants on December 30, 2016 and the underlying Shares were held by SenseTalent on behalf of such Pre-IPO RSU Participants since the date of such exercise.

Accordingly, during the Reporting Period, no granting, vesting, lapsing or cancellation of RSU has taken place. As at December 31, 2025, the aggregate number of the Class B Shares underlying the Pre-IPO RSU Plan and which remain held by SenseTalent on behalf of the Pre-IPO RSU Participants were 286,151,368 Class B Shares. As at June 30, 2026, the aggregate number of the Class B Shares underlying the Pre-IPO RSU Plan and which remain held by SenseTalent on behalf of the Pre-IPO RSU Participants were 280,454,072, representing approximately 0.66% of the issued share capital of the Company as at the date of this interim report.

Details of RSU Awards granted under the Pre-IPO RSU Plan

As of January 1, 2026, the Pre-IPO RSU Plan have been fully granted, vested and exercised up to the RSU Limit. Therefore, no RSU Awards were granted, vested, exercised, lapsed or cancelled during the Reporting Period.

Pre-IPO ESOP

The following is a summary of the principal terms of the Pre-IPO ESOP of the Company as approved by the Board on November 1, 2016 and amended from time to time. Upon the revised Chapter 17 of the Listing Rules coming into effect in January 2023, the Pre-IPO ESOP constitutes a share scheme which is funded by existing shares of the Company under Chapter 17 of the Listing Rules. For details regarding the Pre-IPO ESOP, please refer to the section headed “Statutory and General Information – D. Share Incentive Schemes – 2. Pre-IPO ESOP” of the Prospectus.

Purpose

The purpose of the Pre-IPO ESOP is to establish a comprehensive long-term incentive scheme of the Group, to motivate, attract and retain talents, and to share the Company’s success with the participants.

Effectiveness and Duration

The original validity period of the Pre-IPO ESOP was ten years commencing on the adoption date of November 2, 2016. As disclosed in the announcement of the Company dated June 26, 2024 and as of the date of this interim report, the Board has resolved that no further grant will be made under the Pre-IPO ESOP. However, the subsisting rights of the grantees under the Pre-IPO ESOP remain unaffected.

Administration

The Pre-IPO ESOP shall be subject to the administration of the Board and the management of the Company (the “**ESOP Administrators**”) in accordance with the terms and conditions of the Pre-IPO ESOP, and the decision of the Board will be final and binding on all parties. The ESOP Administrators may, from time to time, select the participants to whom an award in the form of options (“**Options**”) may be granted.

The ESOP Administrators have the right to, among others: (i) interpret and construe the provisions of the Pre-IPO ESOP; (ii) determine the persons who will be granted Options under the Pre-IPO ESOP, the terms and conditions on which Options are granted and when the Options granted pursuant to the Pre-IPO ESOP may vest; and (iii) make such other decisions or determinations as it shall deem necessary for the administration of the Pre-IPO ESOP.

Participants

The eligible participants in the Pre-IPO ESOP (the "**Pre-IPO ESOP Participants**"), as determined by the Board, include (i) key management team, key technical staff of the Group and key core employees who have direct impact on the Group's performance and development and who have been formally employed after probation and (ii) any other persons who have contributed significantly to the Group and have significant value to the Group. The scope of grantees, specific targets and the number of options to be granted will be determined by the ESOP Administrators with reference to the posts, performance and duration of service of each Pre-IPO ESOP Participant.

Maximum number of Shares

Subject to any adjustments for other dilutive issuances, the maximum number of Shares underlying the Options under the Pre-IPO ESOP ("**Pre-IPO ESOP Limit**") is 3,376,931,209 Class B Shares, all of which have been issued and are held by SenseTalent. The Pre-IPO ESOP Limit represents approximately 8.00% of the issued share capital as at the date of this interim report. There is no maximum limit of Class B Shares which may be awarded to any one Participant under the Pre-IPO ESOP.

Terms and Conditions of Options

Grant of Options

The ESOP Administrators may determine in each year whether Options shall be granted and select the Pre-IPO ESOP Participants to whom a grant of an Option may be made. The number of Options granted may be determined at the sole and absolute discretion of the ESOP Administrators and may differ among selected Pre-IPO ESOP Participants. No consideration is payable by the Pre-IPO ESOP Participants upon the acceptance of an Option.

Rights attached to the Options and the underlying Shares

A Pre-IPO ESOP Participant only has a contingent interest in the Shares underlying an Option unless and until such Shares are actually transferred to the Pre-IPO ESOP Participant. He/she is not entitled to any right of dividend or other shareholder's interest or right in respect of any Options or the underlying Shares before exercise of the Options and the completion of the registration of the Pre-IPO ESOP Participant as a Shareholder of the Company. No voting right shall be exercisable by the Pre-IPO ESOP Participants in relation to any Options or the Shares that are the subject of the Options.

Limits on Transfer of Options

Unless otherwise provided in the Pre-IPO ESOP or by applicable law, all Options under the Pre-IPO ESOP are non-transferable and shall not be subject, in any manner, to sale, transfer, exchange, pledge, encumbrance, debt repayment or other disposal prior to the time of exercise.

Vesting Schedule

Except for employees who joined the Company on or before December 31, 2015 or otherwise determined by the Administrator, the Pre-IPO ESOP Participants shall not exercise any Option granted to him/her for a period of one year (the "**Waiting Period**") after the date of grant of the Options ("**Grant Date**").

Subject to the satisfaction of the specific conditions before any Option may be vested, the Options granted will vest in four years, subject to a maximum of 25% each year. The first vesting date will be on the date when the Waiting Period ends.

Exercise of Options

Exercise Price

The exercise price per Option shall be determined by the ESOP Administrators or any persons authorized by the ESOP Administrators on the Grant Date with reference to the fair market value of the Shares and the market condition, the determination of which shall be final, binding and conclusive.

Validity Period

Unless otherwise provided in the Pre-IPO ESOP, the validity period for the Options granted to the Pre-IPO ESOP Participants shall be seven years commencing from the Grant Date (the "**Validity Period**"). Any Options vested but not exercised within the Validity Period shall become non-exercisable and the underlying Shares shall be returned to the Pre-IPO ESOP.

Exercise Method

The Pre-IPO ESOP Participants may exercise his/her Options by serving the exercise notice during the exercise period as determined by the ESOP Administrators and paying the relevant exercise price and the Options shall only be exercised by the Pre-IPO ESOP Participants.

Alteration and Termination of the Pre-IPO ESOP

The terms of the Pre-IPO ESOP may be altered or amended in any respect by the Board provided that such alteration or amendment shall not affect any subsisting rights of any grantee thereunder.

The Pre-IPO ESOP may also be terminated at any time prior to the expiry of its term by our Board provided that such termination shall not affect any subsisting rights of any grantee thereunder. In such event, no further Options shall be granted. As disclosed in the announcement of the Company dated June 26, 2024 and as of the date of this interim report, the Board has resolved that no further grant will be made under the Pre-IPO ESOP, but the subsisting rights of the grantees will remain unaffected.

Options granted under the Pre-IPO ESOP

As at June 30, 2026, 1,141,098,276 Options under the Pre-IPO ESOP including those which (i) remain unvested; (ii) are vested and exercisable but unexercised; and (iii) have been fully vested and exercised but remained held by SenseTalent on behalf of the relevant grantees have been granted to 1,692 grantees (including members of senior management and other connected persons of the Company, but for the avoidance of doubt, does not include Directors).

As at December 31, 2025, the aggregate number of the Class B Shares underlying the Pre-IPO ESOP and which remain held by SenseTalent was 1,364,884,312 Class B Shares. As at June 30, 2026, the aggregate number of Class B Shares underlying the Pre-IPO ESOP and which remain held by SenseTalent is 1,331,929,236, representing approximately 3.15% of the issued share capital of the Company as at June 30, 2026. During the Reporting Period, there was no grants under the Pre-IPO ESOP due to its termination and no lapse of Options under the Pre-IPO ESOP. For further details, please refer to the announcement of the Company dated June 26, 2024.

2022 RSU Scheme

The following is a summary of the key terms of the 2022 RSU Scheme as approved by the Board on June 20, 2022 and as amended by a Shareholders' resolution dated June 26, 2024. The 2022 RSU Scheme constitutes a share scheme under Chapter 17 of the Listing Rules. For details regarding the 2022 RSU Scheme, please refer to the announcement of the Company dated June 20, 2022, the circular of the Company dated June 4, 2024 and the poll results announcement of the Company dated June 26, 2024.

Purpose

The purpose of the 2022 RSU Scheme is to recognise the contributions of the participants, encourage and retain the participants for the continual operation and development of the Group, and to motivate the participants to maximize the value of the Company for the benefits of both such participants and the Company.

Effectiveness and Duration

Subject to any early termination as may be determined by the Board pursuant to terms of the 2022 RSU Scheme, the 2022 RSU Scheme shall be valid and effective for a period of ten years commencing on the adoption date of June 20, 2022.

Administration

The 2022 RSU Scheme shall be subject to the administration of the Board in accordance with the terms and conditions therein, and one or more trustee(s) may be appointed to assist with the administration and vesting of RSUs granted pursuant to the 2022 RSU Scheme. In addition, the Company may establish one or more special purpose vehicle(s) for the purpose of holding any Class B Shares and/or the consideration received in accordance with the terms and conditions of the 2022 RSU Scheme. A trustee and/or any registered holder of any special purpose vehicles shall not exercise any voting rights in respect of any Class B Shares held under the relevant trust or special purpose vehicles (as the case may be) in satisfaction of any unvested RSUs, unless required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

An administrative committee (the "**Administrative Committee**") comprising the chairman of the Board (the "**Chairman**"), one senior officer of the human resources department and one senior officer of finance department, as appointed by the Chairman, from time to time, may (i) exercise the mandate granted by the Shareholders at general meetings of the Company and direct the Company to allot and issue Class B Shares or transfer any treasury shares of the Company in issue to the relevant trustee and/or special purpose vehicle subject to compliance with any applicable laws and regulations (including but not limited to the Listing Rules) and any trust deed; and/or to the trustee to be held by the trustee to satisfy the RSUs upon vesting; and/or (ii) direct and procure the trustee and/or special purpose vehicle to receive existing Class B Shares from any Shareholder or purchase existing Class B Shares (either on-market or off-market), for the purposes of satisfying any RSUs granted or to be granted under the 2022 RSU Scheme.

Participants

The eligible participants in the 2022 RSU Scheme (the "**2022 RSU Scheme Participants**") include (i) any employee (whether full time or part time), executives or officers, directors (including executive, non-executive and independent non-executive directors) of any member of the Group; and (ii) any person who provides services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, including but not limited to any person providing advisory and consultancy services (in connection with, among others, research and development of the Group's products and services and commercial planning and development), sales and marketing services, technology services, administrative services, strategic or commercial planning services, agency and subcontracting services and technical services, but excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or any professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectivity ("**Service Providers**").

Scheme Mandate Limit, Service Provider Sublimit and Individual Limits

Subject to the terms of the 2022 RSU Scheme:

(a) the maximum number of new Class B Shares which may be allotted and issued in respect of all restricted share units ("**RSUs**") to be granted under the 2022 RSU Scheme and all options and/or awards under any other share schemes of the Company shall not exceed 10% of the number of Shares in issue as at June 26, 2024 (the "**Amendment Date**") (excluding any treasury shares of the Company), being 3,346,892,500 Class B Shares (the "**Scheme Mandate Limit**"). Any RSUs lapsed in accordance with the 2022 RSU Scheme and any awards or options lapsed in accordance with any other share schemes of the Company shall not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit;

(b) the maximum number of new Class B Shares which may be allotted and issued in respect of all RSUs to be granted under the 2022 RSU Scheme and all options and/or awards under any other share schemes of the Company to the Service Providers under the Scheme Mandate Limit shall not exceed 1% of the number of Shares in issue as at the Amendment Date (excluding any treasury shares of the Company), being 334,689,250 Class B Shares;

(c) no RSU may be granted to any 2022 RSU Scheme Participant if such further grant of RSUs would result in the Shares issued and to be issued in respect of any RSUs granted under the 2022 RSU Scheme and all awards and options granted under any other share schemes of the Company to any 2022 RSU Scheme Participant (excluding any RSUs lapsed in accordance with the terms of the 2022 RSU Scheme or any awards or options lapsed in accordance with the terms of any other share schemes of the Company) in the 12-month period up to and including the date of such proposed grant exceeding 1% of the Shares in issue at the time of such proposed grant;

(d) where any further grant of RSUs to a 2022 RSU Scheme Participant would result in the Shares issued and to be issued in respect of any RSUs granted under the 2022 RSU Scheme and all awards and options granted under any other share schemes of the Company to any 2022 RSU Scheme Participant (excluding any RSUs lapsed in accordance with the terms of the 2022 RSU Scheme or any awards or options lapsed in accordance with the terms of any other share schemes of the Company) in the 12-month period up to and including such proposed grant to exceed 1% of the Shares in issue at the time of such proposed grant (excluding any treasury shares of the Company), such grant shall be separately approved by the Shareholders, and for such purposes, the 2022 RSU Scheme Participant and his close associates (or where the 2022 RSU Scheme Participant is a connected person, his associates) shall abstain from voting on the resolution approving such grant to the relevant 2022 RSU Scheme Participant;

(e) where any further grant of RSUs to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all RSUs granted under the 2022 RSU Scheme and all awards granted under any other share schemes of the Company (excluding any RSUs lapsed in accordance with the terms of the 2022 RSU Scheme, any awards lapsed in accordance with the terms of any other share schemes of the Company, and any options) to such person in the 12-month period up to and including such grant to exceed 0.1% of the Shares in issue at the time of such proposed grant (excluding any treasury shares of the Company), such grant must be separately approved by the Shareholders, and for such purposes, the relevant 2022 RSU Scheme Participant to which the grant is proposed to be made, his associates and all core connected persons of the Company shall abstain from voting in favour on the resolution approving such grant to the relevant 2022 RSU Scheme Participant; and

(f) where any further grant of RSUs to an independent non-executive Director or a substantial Shareholder, or any of their respective associates, would result in the Shares issued and to be issued in respect of all RSUs granted under the 2022 RSU Scheme and all awards and options granted under any other share schemes of the Company (excluding any RSUs lapsed in accordance with the terms of the 2022 RSU Scheme, any awards or options lapsed in accordance with the terms of any other share schemes of the Company) to such person in the 12-month period up to and including such grant to exceed 0.1% of the Shares in issue at the time of such proposed grant (excluding any treasury shares of the Company), such grant must be separately approved by the Shareholders, and for such purposes, the relevant 2022 RSU Scheme Participant to which the grant is proposed to be made, his associates and all core connected persons of the Company shall abstain from voting in favour on the resolution approving such grant to the relevant 2022 RSU Scheme Participant.

As at the Latest Practicable Date, 92,552,703 Class B Shares had been issued for the purposes of the 2022 RSU Scheme.

As at January 1, 2026, the number of Class B Shares which may be granted under the Scheme Mandate Limit and the Service Provider Sublimit were 1,563,197,578 Class B Shares and 327,799,670 Class B Shares respectively.

As at June 30, 2026, 2,334,230,636 RSUs have been granted under the 2022 RSU Scheme to participants. Following the grant of such RSUs and as at June 30, 2026 and the date of this interim report, 1,012,661,864 Class B Shares (representing approximately 2.40% of the total issued Shares as at June 30, 2026) were available for further grant under the Scheme Mandate Limit, among which 327,799,670 Class B Shares (representing approximately 0.78% of the total issued Shares as at June 30, 2026) were available for further grant under the Service Provider Sublimit.

Terms and Conditions of the 2022 RSU Scheme Awards

Grant of 2022 RSU Scheme Awards

On and subject to the terms of the 2022 RSU Scheme the Board (in the case of grantees who are Directors (the "**Senior Grantees**")) or the Chairman (in the case of grantees other than Senior Grantees, the "**Junior Grantees**", and together with the Senior Grantees, the "**Grantees**") shall be entitled at any time during the term of the 2022 RSU Scheme to make a grant of awards (the "**2022 RSU Scheme Awards**") to any 2022 RSU Scheme Participant, as the Board or the Chairman (as the case may be) may in its absolute discretion determine. The amount of RSUs to be granted may be determined at the sole and absolute discretion of the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) and may differ among selected 2022 RSU Scheme Participants.

Conditions of the 2022 RSU Scheme Awards

RSUs may be granted on such terms and conditions (such as by linking the vesting of the RSU to the attainment or performance of certain objectives or performance targets by any member of the Group, the Grantee or any group of Grantees) as the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) may determine, provided such terms and conditions shall be consistent with any other terms and conditions of the 2022 RSU Scheme. Such performance targets may include, but are not limited to, targets that are benchmarked to the business and operational segments of the Group such as research and development, business development, sales and marketing and financial performance of the Group, or those relating to individual performance relevant to the 2022 RSU Scheme Participant's roles and responsibilities, which shall be assessed at the end of the performance period for such target by comparing the actual performance against the pre-agreed targets. The Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) shall have the right to make adjustments to the relevant objectives or performance targets subsequent to the grant of RSUs, provided that such adjustments shall be considered fair and reasonably by the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees).

For as long as the Class B Shares are listed on the Stock Exchange, if required by the Stock Exchange or the Listing Rules, the grant of a 2022 RSU Scheme Award shall be subject to the compliance with the requisite requirements under the Listing Rules or otherwise required by the Stock Exchange.

Vesting Period of the 2022 RSU Scheme Awards

Subject to the terms of the 2022 RSU Scheme, the specific terms and conditions applicable to each RSU, the vesting period shall be determined by the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees), provided that the vesting period for any RSU shall not be less than 12 months except under the specific circumstances as set out below:

(a) granting RSUs to new employees to replace the share awards they forfeited (the "**Forfeited Awards**") when leaving their previous employers (including any entity which, as a result of mergers and acquisitions by the Company, became a subsidiary of the Company). The vesting period for such RSUs will be the same as the remaining vesting period of the Forfeited Awards (which may be less than 12 months);

(b) granting RSUs to a 2022 RSU Scheme Participant whose employment or service (as the case may be) was terminated due to death, illness, disability or any force majeure event;

(c) granting RSUs which are subject to performance-based vesting conditions (as opposed to time-based conditions);

(d) granting RSUs that are made in batches during a year for administrative and/or compliance reasons, in which case the vesting periods for such RSUs may be shortened to reflect the time from which the RSUs would have been granted;

(e) granting RSUs with a mixed or accelerated vesting schedule such that the RSUs may vest evenly over a period of 12 months; or

(f) granting RSUs with a total vesting and holding period of more than 12 months.

The RSUs which have vested shall be satisfied at the sole and absolute discretion of the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) within a reasonable period from the vesting date of such RSUs, in whole or in part by either: (a) the Administrative Committee directing and procuring the relevant trustee and/or special purpose vehicle to transfer the Class B Shares underlying the RSUs to the Grantee in such manner as determined by it from time to time; and/or (b) the Administrative Committee directing and procuring the trustee and/or special purpose vehicle to pay to the Grantee in cash an amount which is equivalent to the market value of the Class B Shares (in which case, the amount payable to such Grantee shall be the actual sale proceeds net of any tax, fees, levies or other charges applicable).

Unless otherwise provided in the 2022 RSU Scheme, any RSU shall vest upon the expiry of the vesting period subject to the specific terms and conditions as determined by the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees), provided that:

(a) in the event a general offer for Shares (whether by way of voluntary offer, takeover, scheme of arrangement or otherwise) is made to all holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror), the Board may, prior to or immediately upon the offer becoming or being declared unconditional, determine at its absolute discretion whether any RSU shall vest prior to the expiry of the vesting period and the period within which such RSU shall vest. If the Board determines that such RSU shall vest prior to the expiry of the vesting period, it shall notify the Grantee, and the Company that the RSU shall vest and the period within which such RSU shall vest. In the absence of such determination by the Board, the RSUs shall continue to vest in accordance with their respective vesting timetable;

(b) in the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation or merger with any other company or companies pursuant to the Companies Act of the Cayman Islands, the Board may, prior to or immediately upon the meeting of the Shareholders or creditors considering such compromise or arrangement, determine at its absolute discretion whether any RSU shall vest prior to the expiry of the vesting period and the period within which such RSU shall vest. If the Board determines that such RSU shall vest, it shall notify the Grantee, and the Company that the RSU shall vest prior to the expiry of the vesting period and the period within which such RSU shall vest. In the absence of such determination by the Board, the RSUs shall continue to vest in accordance with their respective vesting timetable, provided that upon such compromise, arrangement, amalgamation or merger becoming effective, all RSUs shall, to the extent that they have not been vested, lapse and determined;

(c) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Board may, prior to or immediately upon the meeting of the Shareholders considering such resolution, determine at its absolute discretion whether any RSU shall vest prior to the expiry of the vesting period and the period within which such RSU shall vest. If the Board determines that such RSU shall vest prior to the expiry of the vesting period, it shall notify the Grantee, and the Company that the RSU shall vest prior to the expiry of the vesting period and the period within which such RSU shall vest. In the absence of such determination by the Board, the RSUs shall continue to vest in accordance with their respective vesting timetable, provided that all RSUs shall, to the extent that they have not been vested, lapse immediately on the date of the commencement of the voluntary winding-up of the Company; and

(d) the Board may, in its absolute discretion and on any terms and conditions as it thinks fit, accelerate the vesting period of all or any RSUs at any time subject to the applicable terms and conditions in connection with such RSUs.

Consideration and Basis of Consideration

The consideration (if any) payable by a selected 2022 RSU Scheme Participant to the relevant trustee and/or special purpose vehicle for acceptance and/or vesting of the RSU under the 2022 RSU Scheme and the period within which such consideration shall be paid by a selected 2022 RSU Scheme Participant shall be determined at the sole and absolute discretion of the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees). Such consideration (if any) shall be determined taking into account the prevailing market price of the Class B Shares, the purposes of the 2022 RSU Scheme and the RSUs to be granted, the profile of the relevant Participant, and such other factors as the Board (in the case of the Senior Grantees) or the Chairman (in the case of Junior Grantees) may deem relevant.

Rights of the Participants

The RSUs do not carry any right to vote general meetings of the Company. No Grantees shall enjoy any of the rights of a Shareholder by virtue of the grant of an RSU under the 2022 RSU Scheme, unless and until the Class B Shares underlying the RSUs are actually transferred to or allotted or issued to (as the case may be) to the Grantees following the vesting of such RSUs, provided that (i) the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) shall have the sole and absolute discretion to determine that any Grantee shall be entitled to exercise the voting rights in any Class B Shares held by a trustee and/or a special purpose vehicle for the purpose of satisfying any vested RSUs held by such Grantee through the trustee and/or special purpose vehicle; and (ii) the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) shall have the sole and absolute discretion to determine that any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions derived from any Shares underlying a RSU prior to vesting of the RSU shall also be paid to any Grantee upon vesting of the RSUs.

Lapsing of the 2022 RSU Scheme Awards

The unvested RSUs shall automatically lapse upon the earliest of: (a) the date on which the 2022 RSU Scheme Participant ceases to be an eligible 2022 RSU Scheme Participant; (b) the expiry of any of the periods or the occurrence of the relevant event referred to in the paragraph "Vesting Period"; (c) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company; (d) the date on which the Grantee commits a breach of the restrictions; (e) the date on which the 2022 RSU Scheme Participants are found to be an Excluded Person; (f) the date on which it is no longer possible to satisfy any outstanding conditions to vesting; or (g) the Board has decided that the unvested RSUs shall not be vested for the Grantee in accordance with the rules of the 2022 RSU Scheme and the terms and conditions as set out in the notice of grant.

Alteration and Termination of the 2022 RSU Scheme

Subject to the terms of the 2022 RSU Scheme, the terms of the 2022 RSU Scheme may be altered, amended or waived in any respect by the Board provided that such alteration, amendment or waiver shall not affect any subsisting rights of any Grantee thereunder. The 2022 RSU Scheme may be terminated at any time prior to the expiry of its term by the Board provided that such termination shall not affect any subsisting rights of any Grantee thereunder.

RSUs granted under the 2022 RSU Scheme

Details of outstanding RSUs over new shares of the Company at the beginning and at the end of the Reporting Period which have been granted under the 2022 RSU Scheme are as follows:

Grantees	Outstanding at December 31, 2025	Number of share options granted	Number of share options exercised	Number of share options lapsed	Number of share options cancelled	Outstanding at June 30, 2026
Category 1: Directors[1]	1,360,000,000	0	0	0	0	1,360,000,000
Dr. XU Li	600,000,000	0	0	0	0	600,000,000
Dr. WANG Xiaogang	200,000,000	0	0	0	0	200,000,000
Dr. Lin Dahua	200,000,000	0	0	0	0	200,000,000
Mr. Yang Fan	200,000,000	0	0	0	0	200,000,000
Mr. Wang Zheng	160,000,000	0	0	0	0	160,000,000
Category 2: Other Grantees[2]	399,257,764	550,535,714	(92,552,703)	(13,969,162)	0	843,271,613
	287,171,584[3]	0	(92,552,703)	(6,604,280)	0	188,014,601
	112,086,180[4]	0	0	(5,141,825)	0	106,944,355
	0[5]	312,237,629	0	(1,062,629)	0	311,175,000
	0[6]	238,298,085	0	(1,160,428)	0	237,137,657
Total all categories	1,759,257,764	550,535,714	(92,552,703)	(13,969,162)	0	2,203,271,613

Notes:

(1) These restricted share units were conditionally granted on September 4, 2025 and subsequently approved by the shareholders on September 29, 2025. The restricted share units will vest semi-annually during the period from 2026 to 2031, provided that the first vesting date shall be no less than 12 months from the grant date. No purchase price or vesting price is payable for the restricted share units so granted. The vesting of these restricted share units is subject to the achievement of performance targets to be determined by the Board or its authorised representatives in their absolute discretion. Such performance targets are based on the performance of the Group and its relevant business units, as well as other management indicators and/or other appropriate metrics, and shall be assessed by the Board or its authorised representatives from time to time. The closing prices of the Class B Shares on the Stock Exchange immediately prior to the date of the grant announcement (being September 4, 2025) and the date of shareholders' approval (being September 29, 2025) were HK$2.05 and HK$2.62, respectively. For the detailed information of the restricted share units granted during the Reporting Period, please refer to Note 29 to the consolidated financial statements.

For details of these grants, please refer to the Company's announcement and circular dated September 4, 2025.

(2) As at June 30, 2026, the number of outstanding RSUs is 843,271,613 shares. Such RSUs were granted on March 27, 2025, October 30, 2025, January 2, 2026 or April 21, 2026, with a vesting period from approximately 1 year to 5.83 years, and vesting price of HK$0. The vesting of these RSUs are subject to fulfilment of specific conditions (including performance targets based on the performance and other management indicators and/or other appropriate indicators of the Group and its relevant departments). For the detailed information of the RSUs granted during the Reporting Period, please refer to Note 29 to the consolidated financial statements.

(3) The closing price of the Class B Shares on the Stock Exchange immediately before the date on which the grant was made was HK$1.59 (the grant date being March 27, 2025).

(4) The closing price of the Class B Shares on the Stock Exchange immediately before the date on which the grant was made was HK$2.44 (the grant date being October 30, 2025).

(5) The closing price of the Class B Shares on the Stock Exchange immediately before the date on which the grant was made was HK$2.20 (the grant date being January 2, 2026).

(6) The closing price of the Class B Shares on the Stock Exchange immediately before the date on which the grant was made was HK$2.05 (the grant date being April 21, 2026).

Percentage of weighted average number of shares

The total number of Class B Shares that may be issued in respect of options or awards granted under the Pre-IPO RSU Plan, the Pre-IPO ESOP and the 2022 RSU Scheme of the Company (being the 3,254,339,797 Class B Shares which may be issued under the 2022 RSU Scheme, as each of the Pre-IPO RSU Plan and the Pre-IPO ESOP does not involve issue of new Shares, and taking into account 92,552,703 new Class B Shares for the vesting of RSUs under the 2022 RSU Scheme during the Reporting Period) during the Reporting Period divided by the weighted average number of total Shares in issue for the Reporting Period is 7.92%.

Weighted Voting Rights

The Company adopts a weighted voting rights structure. Under the structure, the Company's share capital comprises Class A Shares and Class B Shares. Each Class A Share entitles the holder to exercise 10 votes, and each Class B Share entitles the holder to exercise one vote, respectively, on any resolution tabled at general meetings, except for resolutions with respect to a limited number of Reserved Matters, in relation to which each Share is entitled to one vote.

The WVR Structure enables the WVR Beneficiaries to exercise voting control over the Company notwithstanding the WVR Beneficiaries do not hold a majority economic interest in its share capital. This enables the Company to benefit from the continuing vision and leadership of the WVR Beneficiaries, who will control the Company with a view to its long-term prospects and strategy.

As at June 30, 2026, the WVR Beneficiaries were Dr. Xu Li and Dr. Wang Xiaogang.

(1) Dr. Xu Li beneficially owned 286,317,668 Class A Shares and 570,386,529 Class B Shares, representing approximately 7.34% of the voting rights in the Company on resolutions in general meetings of the Company (except for resolutions in relation to the Reserved Matters, in relation to which each Share carries one vote). In addition, Dr. Xu Li is interested in 600,000,000 underlying Class B Shares in respect of the RSUs granted pursuant to the 2022 RSU Scheme, which has not vested as at June 30, 2026 (and therefore the voting rights of which are not exercisable by Dr. Xu Li). The Class A Shares beneficially owned by Dr. Xu Li were held by XWorld, a company wholly owned by Dr. Xu Li, and the Class B Shares were directly held by Dr. Xu Li.

(2) Dr. Wang Xiaogang beneficially owned 223,526,705 Class A Shares and 310,785,171 Class B Shares, representing approximately 5.44% of the voting rights in the Company on resolutions in general meetings of the Company (except for resolutions in relation to the Reserved Matters, in relation to which each Share carries one vote). All the Class A Shares and 8,644,928 Class B Shares beneficially owned by Dr. Wang Xiaogang were held by Infinity Vision, a company wholly owned by Dr. Wang Xiaogang, and the remaining 302,140,243 Class B Shares were directly held by Dr. Wang Xiaogang. In addition, Dr. Wang Xiaogang is interested in 200,000,000 underlying Class B Shares in respect of the RSUs granted pursuant to the 2022 RSU Scheme, which has not vested as at June 30, 2026 (and therefore the voting rights of which are not exercisable by Dr. Wang Xiaogang).

As disclosed in the Company's announcement dated June 26, 2025, Mr. Xu Bing stepped down as an executive Director and the secretary of the Board following the conclusion of the 2025 AGM, and the weighted voting rights of the 104,190,097 Class A Shares held by Mr. Xu Bing through Vision Worldwide Enterprise Inc. has ceased and shall be converted into Class B Shares on one-to-one basis. Such one-to-one conversion has been completed on January 16, 2026. Immediately following the completion of such conversion, there were 509,844,373 Class A Shares and 39,914,193,627 Class B Shares in issue.

Class A Shares may be converted into Class B Shares on a one to one ratio. Upon the conversion of all the issued and outstanding Class A Shares into Class B Shares, the Company will issue 509,844,373 Class B Shares, representing approximately 1.22% of the total number of issued and outstanding Class B Shares as at June 30, 2026 and the date of this interim report.

The weighted voting rights attached to the Class A Shares will cease when the WVR Beneficiaries do not have beneficial ownership of any Class A Shares, in accordance with Rule 8A.22 of the Listing Rules. This may occur:

(1) upon the occurrence of any of the circumstances set out in Rule 8A.17 of the Listing Rules, in particular where all of the WVR Beneficiaries are: (1) deceased; (2) no longer members of our Board; (3) deemed by the Stock Exchange to be incapacitated for the purpose of performing his duties as directors; or (4) deemed by the Stock Exchange to no longer meet the requirements of directors set out in the Listing Rules;

(2) when the holders of Class A Shares have transferred to other persons the beneficial ownership of, or economic interest in, all of the Class A Shares or the control over the voting rights attached to them, other than in the circumstances permitted by Rules 8A.18 of the Listing Rules;

(3) where the vehicles holding Class A Shares on behalf of both WVR Beneficiaries no longer comply with Rule 8A.18(2) of the Listing Rules; or

(4) when all of the Class A Shares have been converted to Class B Shares.

Shareholders and prospective investors are advised to be aware of the potential risks of investing in companies with weighted voting rights structures, in particular that interests of the WVR Beneficiaries may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiaries will be in a position to exert significant influence over the affairs of our Company and the outcome of shareholders' resolutions, irrespective of how other Shareholders vote. Prospective investors should make the decision to invest in the Company only after due and careful consideration.

Continuing Disclosure Obligations Pursuant to the Listing Rules

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

Changes in Directors' and Chief Executive's Information

Save as disclosed below, there is no change in the Directors' and chief executive's information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

(i) Prof. Xue Lan ceased to be an independent non-executive director of Neusoft Corporation (東軟集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600718), with effect from May 2026.

(ii) Prof. Xue Lan ceased to be the vice chairman of the board of Chinese Association of Science of Science and S&T Policy (CASSSP) (中國科學學與科技政策研究會) with effect from December 2025.

(iii) Prof. Xue Lan ceased to be a member of the United Nations Internet Governance Forum (IGF) Leadership Panel earlier in 2026.

(iv) Mr. Lyn Frank Yee Chon served as an independent non-executive director of Bright Smart Securities & Commodities Group Limited, a company listed on the Stock Exchange (stock code: 1428), from March 2026 to August 2026.

(v) Mr. Lyn Frank Yee Chon was appointed as an independent non-executive director of Metis TechBio Co., Ltd., a company listed on the Stock Exchange (stock code: 7666), with effect from May 2026.

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

During the Reporting Period, neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including any sale of treasury shares).

Compliance with the Corporate Governance Code

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

During the Reporting Period, the Company has complied with the corporate governance requirements under the Corporate Governance Code set out in Appendix C1 to the Listing Rules save for code provision C.2.1 of Part 2 of the Corporate Governance Code as discussed below.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Dr. Xu Li currently performs these two roles. The Board believes that vesting the roles of both executive chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of executive chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Interim Dividend

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

Directors' Securities Transactions

The Board has adopted the Model Code as the code of conduct regulating Directors' dealings in securities of the Company. In response to specific enquiries made by the Board, all Directors confirmed that they have complied with the provisions of the Model Code during the Reporting Period.

Audit Committee

The Audit Committee (comprising two independent non-executive Directors, Mr. Lyn Frank Yee Chon (being the chairman of the Audit Committee) and Mr. Chiu Duncan; and the non-executive Director, Ms. Fan Yuanyuan) has reviewed the unaudited interim condensed consolidated financial information of the Group for the Reporting Period.

The Audit Committee has also discussed matters in relation to the accounting policies and practices adopted by the Company, risk management, internal control and financial reporting with senior management members and the Auditor.

Other Board Committees

In addition to the Audit Committee, the Company has also established a nomination committee, a remuneration committee and a corporate governance committee.

Corporate Governance Committee

The Company has established the Corporate Governance Committee in compliance with Rule 8A.30 of the Listing Rules. The primary duties of the Corporate Governance Committee are to (i) ensure that the Company is operated and managed for the benefit of all Shareholders and (ii) ensure the Company's compliance with the Listing Rules and safeguards relating to the weighted voting rights structures of the Company.

As at the Latest Practicable Date, the Corporate Governance Committee comprises three independent non-executive Directors, namely Prof. Xue Lan, Mr. Lyn Frank Yee Chon and Mr. Chiu Duncan. Prof. Xue Lan is the chairperson of the Corporate Governance Committee.

During the six months ended June 30, 2026, the Corporate Governance Committee has convened 1 meeting and performed the following major tasks:

- Reviewed and monitored the Company's policies and practices on corporate governance and on compliance with legal and regulatory requirements and made recommendations to the Board as appropriate. The policies reviewed include the code for securities transactions by Directors and relevant employees, the board diversity policy, the shareholders' communication policy, the procedures for nomination of Directors by Shareholders, the anti-corruption policy, the dividend policy and other corporate governance policies.

- Reviewed the Company's compliance with the Corporate Governance Code, the Company's disclosure in this interim report and the Company's disclosure as required under Chapter 8A of the Listing Rules.

- Reviewed the written confirmation provided by the WVR Beneficiaries that (a) they have been members of the Board throughout the year and that no matters under Rule 8A.17 of the Listing Rules have occurred during the year ended December 31, 2025; and (b) they have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules throughout the year ended December 31, 2025.

- Reviewed and monitored the management of conflicts of interests between the Company, its subsidiary and its consolidated affiliated entities and/or Shareholder on one hand and any WVR Beneficiary on the other.

- Reviewed and monitored all risks related to the weighted voting rights structure.

- Reviewed the training and continuous professional development of Directors and senior management, in particular training relating to requirements under Chapter 8A of the Listing Rules and risks associated with the weighted voting rights structure.

- Made a recommendation to the Board as to the appointment or removal of the compliance advisor.

In particular, the Corporate Governance Committee has confirmed to the Board it is of the view that the Company has adopted sufficient corporate governance measures to manage the potential conflict of interest between the Company, its subsidiary and its consolidated affiliated entities and/or Shareholder on one hand and any WVR Beneficiary on the other, so as to ensure that the operations and management of the Company are in the interests of the Shareholders as a whole indiscriminately. These measures include the Corporate Governance Committee (a) reviewing and monitoring transactions contemplated to be entered into by the Group and making a recommendation to the Board on any matter where there is a potential conflict of interest between the Company, its subsidiary and its consolidated affiliated entities and/or Shareholder on one hand and any WVR Beneficiary on the other, and (b) ensuring that (i) any connected transactions are disclosed and dealt with in accordance with the requirements of the Listing Rules, (ii) the terms of connected transactions are fair and reasonable and in the interest of the Company and its Shareholders as a whole, (iii) any Directors who have a conflict of interest abstain from voting on the relevant board resolution, and (iv) the Compliance Advisor is consulted on any matters related to transactions involving the WVR Beneficiaries or a potential conflict of interest between the Group and any WVR Beneficiary. The Corporate Governance Committee recommended the Board to continue the implementation of these measures and to periodically review their efficacy towards these objectives.

Having reviewed the remuneration and terms of engagement of the Compliance Advisor, the Corporate Governance Committee confirmed to the Board that it was not aware of any factors that would require it to consider either the removal of the current Compliance Advisor or the appointment of a new Compliance Advisor. As a result, the Corporate Governance Committee recommended that the Board retain the services of the Compliance Advisor of the Company.

Definitions

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

"2022 RSU Scheme"	the restricted share unit scheme of the Company adopted by the Board on June 20, 2022 and as amended by a Shareholders' resolution dated June 26, 2024
"Articles" or "Articles of Association"	the twenty-third amended and restated articles of association of the Company, adopted by special resolutions of the shareholders of the Company dated June 23, 2023, and as amended from time to time
"Audit Committee"	the audit committee of the Company
"Auditor"	PricewaterhouseCoopers, the independent auditor of the Company
"Board"	the board of Directors of the Company
"BVI"	the British Virgin Islands
"Class A Share(s)"	class A ordinary shares of the share capital of the Company with a par value of US$0.000000025 each, conferring weighted voting rights in the Company such that a holder of a Class A Share is entitled to 10 votes per share on any resolution tabled at the Company's general meeting, save for resolutions with respect to any Reserved Matters, in which case they shall be entitled to one vote per share
"Class B Share(s)"	class B ordinary shares of the share capital of the Company with a par value of US$0.000000025 each, conferring a holder of a Class B Share one vote per share on any resolution tabled at the Company's general meeting
"Company"	SenseTime Group Inc. (商汤集团股份有限公司), an exempted company incorporated under the laws of Cayman Islands with limited liability, the issued Class B Shares of which are listed on the Main Board of the Stock Exchange (stock codes: 0020 (HKD counter) and 80020 (RMB counter))
"Compliance Advisor"	Haitong International Capital Limited, being the compliance advisor of the Company
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Dr. Wang Xiaogang"	Dr. Wang Xiaogang (王曉剛), the Company's co-founder, executive Director, chief scientist and a WVR Beneficiary

"Dr. Xu Li"	Dr. Xu Li (徐立), the Company's co-founder, executive Chairman of the Board, executive Director, chief executive officer and a WVR Beneficiary
"Excluded Person"	(i) at the time of the proposed grant of RSU under the 2022 RSU Scheme, any connected person of the Company, other than directors or substantial shareholders of any member of the Group, who did not notify the Company that they were connected person of the Company or (ii) any 2022 RSU Scheme Participant who is resident in a place where the award of the RSUs and/or the vesting and transfer of the Shares underlying the vested RSUs pursuant to the terms of the 2022 RSU Scheme is not permitted under the laws and regulations of such place such that in the view of the Board or the Chairman, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such 2022 RSU Scheme Participant
"Group", "SenseTime" or "we"	the Company and its subsidiaries and consolidated affiliated entities
"HKD"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"Independent Third Party(ies)"	individual(s) or company(ies) who or which, to the best of the Director's knowledge having made all due and careful enquiries, is/are independent from and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholder (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
"Infinity Vision"	Infinity Vision Enterprise Inc., a business company incorporated under the laws of BVI with limited liability, which is wholly-owned by Dr. Wang Xiaogang
"JPY"	Japanese Yen, the lawful currency of Japan
"Latest Practicable Date"	September 15, 2026, being the latest practicable date prior to the printing of this interim report, for the purpose of ascertaining certain information contained in this interim report
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of the Company, adopted by special resolutions of the shareholders of the Company dated June 23, 2023, and as amended from time to time

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 of the Listing Rules
"PRC" or "China"	the People's Republic of China
"Pre-IPO ESOP"	the pre-IPO employee incentive scheme adopted by the Company on November 1, 2016 as amended from time to time
"Pre-IPO RSU Plan"	the pre-IPO restricted share units plan adopted by the Company on November 1, 2016 as amended from time to time
"Reporting Period"	the six months ended June 30, 2026
"Reserved Matters"	those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to the Articles of Association, being: (i) any amendment to the Memorandum of Association or Articles of Association; (ii) the variation of rights attached to any class of shares; (iii) the appointment, election or removal of any independent non-executive Director; (iv) the appointment, election or removal of the Company's auditor; and (v) the voluntary liquidation or winding-up of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"SenseTalent"	SenseTalent Management Limited, a business company incorporated under the laws of BVI with limited liability holding our ordinary Shares pursuant to the Pre-IPO ESOP and the Pre-IPO RSU Plan
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SGD"	Singapore Dollars, the lawful currency of Singapore
"Share(s)"	the Class A Shares and Class B Shares in the share capital of our Company, as the context so requires
"Shareholder(s)"	the holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD"	United States Dollars, the lawful currency of the United States

"Vision Worldwide"	Vision Worldwide Enterprise Inc., a business company incorporated under the laws of BVI with limited liability which is wholly-owned by Mr. Xu Bing
"WVR Beneficiary(ies)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Dr. Xu Li, and Dr. Wang Xiaogang, being holders of the Class A Shares, entitling each to weighted voting rights
"WVR Structure"	has the meaning ascribed to it in the Listing Rules
"XWorld"	XWORLD Enterprise Inc., a business company incorporated under the laws of BVI with limited liability which is wholly-owned by Dr. Xu Li

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sensetime

SenseTime Group Inc.
商汤集团股份有限公司