UBTECH ROBOTICS CORP LTD
深圳市優必選科技股份有限公司

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

Stock Code: 9880

2026
Interim Report

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zhou Jian (周劍先生)
(Chairman of the Board and Chief Executive Officer)
Mr. Liu Ming (劉明先生)
(Employee Representative Director)
Mr. Deng Feng (鄧峰先生)
Dr. Xiong Youjun (熊友軍博士)
(Deputy General Manager and Chief Technology Officer)

Non-executive Directors

Mr. Xia Zuoquan (夏佐全先生)
Mr. Zhou Zhifeng (周志峰先生)
Mr. Lu Kuan (陸寬先生)

Independent Non-executive Directors

Dr. He Jia (何佳博士)
Dr. Yao Xin (姚新博士)
Dr. Dong Xiuqin (董秀琴博士)
Dr. Xiong Hui (熊輝博士)

JOINT COMPANY SECRETARIES

Mr. Zhang Ju (張鉅先生)
Ms. Jian Xuegen (簡雪艮女士)

AUDIT COMMITTEE

Dr. Dong Xiuqin (董秀琴博士) *(Chairperson)*
Dr. He Jia (何佳博士)
Dr. Yao Xin (姚新博士)

ESG AND SUSTAINABILITY COMMITTEE

Mr. Liu Ming (劉明先生) *(Chairperson)*
Mr. Deng Feng (鄧峰先生)
Dr. Dong Xiuqin (董秀琴博士)

REMUNERATION AND APPRAISAL COMMITTEE

Dr. He Jia (何佳博士) *(Chairperson)*
Mr. Zhou Jian (周劍先生)
Dr. Yao Xin (姚新博士)

NOMINATION COMMITTEE

Dr. Xiong Hui (熊輝博士) *(Chairperson)*
Mr. Zhou Jian (周劍先生)
Dr. Dong Xiuqin (董秀琴博士)

STRATEGY COMMITTEE

Mr. Zhou Jian (周劍先生) *(Chairperson)*
Dr. He Jia (何佳博士)
Dr. Xiong Hui (熊輝博士)

AUTHORISED REPRESENTATIVES

Mr. Deng Feng (鄧峰先生)
Ms. Jian Xuegen (簡雪艮女士)

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STOCK CODE

9880

COMPANY'S WEBSITE

www.ubtrobot.com

DEFINITION

"Articles of Association"	the articles of association of our Company, as amended, modified or supplemented from time to time
"Audit Committee"	the audit committee of our Board
"Board"	the board of Directors of the Company
"CASBE"	China Accounting Standards for Business Enterprises
"China" or "PRC"	the People's Republic of China and, for the purpose of this report only, does not include Hong Kong, the Special Administrative Region of Macau and Taiwan
"Company"	UBTECH ROBOTICS CORP LTD (深圳市優必選科技股份有限公司) (formerly known as Shenzhen UBTECH Technology Co., Ltd.* (深圳市優必選科技有限公司)), a limited liability company established under the laws of the PRC on March 31, 2012 and converted into a joint stock company with limited liability on March 29, 2019, the H Shares of which are listed on the Stock Exchange (stock code: 9880) since December 29, 2023
"Director(s)"	the director(s) of our Company
"Domestic Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded on any stock exchange
"Global Offering"	the global offering and listing of our H Shares on the Main Board of the Stock Exchange
"Group", "we", "our", "us" or "UBTECH"	our Company and our subsidiaries
"H Share(s)"	overseas-listed shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are to be traded in Hong Kong Dollars and are listed and traded on the Main Board of the Stock Exchange
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

DEFINITION

"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Reporting Period"	the six months ended June 30, 2026
"RMB"	the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, including both the Domestic Share(s) and the H Share(s)
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	percent

* *For identification purpose only*

FINANCIAL SUMMARY

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**1,269,130**	621,460
Gross profit	**566,878**	217,312
Operating loss	**(279,093)**	(439,067)
Loss for the period	**(338,827)**	(439,989)
Add:		
Share-based payments	**–**	72,205
Adjusted net loss for the period (non-GAAP measure)	**(338,827)**	(367,784)
Add:		
Interest expenses[Note 1]	**1,191**	2,130
Income tax expense	**59,040**	4,857
Depreciation and amortisation	**62,207**	44,370
Credit impairment loss	**91,070**	1,303
Asset impairment loss	**3,771**	470
Less:		
Interest income	**52,596**	7,187
Adjusted EBITDA (non-GAAP measure)	**(174,144)**	(321,841)

FINANCIAL SUMMARY

REVENUE BY TYPE OF PRODUCTS AND SERVICES

	For the six months ended June 30,				
	2026		2025		
	Amount RMB'000	**% of Total Revenue**	Amount RMB'000	% of Total Revenue	Year-on-Year Change
Full-size embodied intelligent humanoid robot products and services	**590,299**	**46.5%**	38,206	6.1%	1,445.0%
Non-embodied intelligent humanoid robot products and services	**32,725**	**2.6%**	26,846	4.4%	21.9%
Other smart robot products and services	**245,754**	**19.4%**	302,814	48.7%	(18.8%)
Other smart hardware devices	**259,377**	**20.4%**	251,967	40.5%	2.9%
Garden machinery, automotive and hydraulic components	**139,176**	**11.0%**	–	0.0%	–
Others(Note 2)	**1,799**	**0.1%**	1,627	0.3%	10.6%
Total	**1,269,130**	**100.0%**	621,460	100.0%	104.2%

Due to changes in the business segments, adjustments have been made to the revenue disclosure categories. The breakdown of revenue in accordance with the categorisation adopted for the six months ended June 30, 2025 is set out in the table below:

		For the six months ended June 30,				
		2026		2025		
		Amount RMB'000	**% of Total Revenue**	Amount RMB'000	% of Total Revenue	Year-on-Year Change
Education smart robot products and services	Full-size embodied intelligent humanoid robot products and services	**21,247**	**1.7%**	1,121	0.2%	1,795.4%
	Non-embodied intelligent humanoid robot products and services	**4,046**	**0.3%**	11,610	1.9%	(65.2%)
	Other smart robot products and services	**96,726**	**7.6%**	227,088	36.5%	(57.4%)
	Subtotal	**122,019**	**9.6%**	239,819	38.6%	(49.1%)
Logistics smart robot products and services	Full-size embodied intelligent humanoid robot products and services	**–**	**0.0%**	2,045	0.3%	(100.0%)
	Other smart robot products and services	**137,056**	**10.8%**	54,118	8.7%	153.3%
	Subtotal	**137,056**	**10.8%**	56,163	9.0%	144.0%

FINANCIAL SUMMARY

		For the six months ended June 30, 2026		2025		
		Amount RMB'000	**% of Total Revenue**	Amount RMB'000	% of Total Revenue	Year-on-Year Change
Other sector-tailored smart robot products and services	Full-size embodied intelligent humanoid robot products and services	**569,052**	**44.8%**	35,040	5.6%	1,524.0%
	Non-embodied intelligent humanoid robot products and services	**–**	**0.0%**	7,152	1.2%	(100.0%)
	Other smart robot products and services	**11,972**	**1.0%**	21,608	3.5%	(44.6%)
	Subtotal	**581,024**	**45.8%**	63,800	10.3%	810.7%
Consumer-level robots and other hardware devices	Non-embodied intelligent humanoid robot products and services	**28,679**	**2.3%**	8,084	1.3%	254.8%
	Other smart hardware devices	**259,377**	**20.4%**	251,967	40.5%	2.9%
	Subtotal	**288,056**	**22.7%**	260,051	41.8%	10.8%
Garden machinery, automotive and hydraulic components	Garden machinery, automotive and hydraulic components	**139,176**	**11.0%**	–	0.0%	–
Others(Note2)		**1,799**	**0.1%**	1,627	0.3%	10.6%
Total		**1,269,130**	**100.0%**	621,460	100.0%	104.2%

Notes:

(1) Interest expenses included interest expenses arising from borrowings (net of capitalised amounts) and interest expenses on lease liabilities.

(2) "Others" primarily included sales of raw materials and spare parts.

BUSINESS REVIEW AND OUTLOOK

PART 1 REVIEW OF CORE TECHNOLOGY PROGRESS

In the first half of 2026, the global artificial intelligence sector officially entered the inaugural year of mass production and implementation for embodied intelligence. With the evolution of embodied intelligence technologies, the accumulation of scenario-specific data, and the extensive collaboration of the industry chain, AI technologies are accelerating their extension from the digital realm to the physical world. By integrating with physical entities such as humanoid robots, embodied intelligence further enhances them with long-term time series autonomous perception, continuous learning, and the ability to interact in real-time within complex dynamic environments.

UBTECH is positioned as an embodied intelligent ecosystem platform and physical AI terminal company. Leveraging its full-stack technologies accumulated over the years in the humanoid robot sector, the Company centres on its humanoid robot hardware and software platform, and continues to build four key technology clusters, namely "Embodied Brain, Humanoid Cerebellum, High-Performance Body, and Swarm Intelligence". It also continuously drives the open sharing of its core technologies, hardware and software platforms, and application capabilities, connecting developers, industry chain participants and industry partners, and progressively establishing a humanoid robot ecosystem platform for the era of embodied intelligence.

In the "Embodied Brain" domain, the Company focuses on building embodied intelligence foundation models, VLA models and world models. The VLA model integrates vision perception, language understanding and action generation capabilities, while the world model enhances the robot's ability to predict and reason about future states by learning changes in the physical world's states, object interactions and action outcomes. Together, these advancements enable humanoid robots to develop embodied intelligence capabilities that form a continuum of "understanding the world – predicting the world – deciding and acting."

At the "Humanoid Cerebellum and High-Performance Body" level, the Company continues to develop key technologies such as whole-body motion control, reinforcement learning, dexterous manipulation, pure vision end-to-end navigation, high-performance servo drives, and humanoid binocular vision perception, transforming the intelligent decisions of the embodied brain into stable and precise actions in the physical world, and continuously closing the loop of embodied intelligence encompassing "perception – understanding – prediction – decision-making – control – execution – feedback".

At the "Swarm Intelligence" level, the Company integrates BrainNet 2.0 and Co-Agent technologies to drive the evolution of embodied intelligence from single-robot autonomy to multi-robot collaboration, enabling task decomposition, intelligent scheduling, information sharing and collaborative operations across multiple humanoid robots, and building an AI dual-loop evolution system for embodied intelligent humanoid robots tailored for industrial scenarios.

BUSINESS REVIEW AND OUTLOOK

Leveraging the aforementioned full-stack technology architecture of hardware and software, the Company continues to pioneer an application paradigm for smart manufacturing and other real-world physical scenarios across multi-task scenarios, long-sequence field and multi-robot collaboration and has successfully completed larger-scale, long-sequence field implementations of multi-robot swarm intelligence collaborative training, driving the continuous evolution of humanoid robots from single-point task verification to autonomous operation, swarm collaboration, and large-scale application. The Company will further extend its capabilities from "products and technologies" to "platforms and ecosystems". The Company has always been committed to using humanoid robot as the intelligent carrier, embodied intelligence algorithms and models as the intelligent core, and the software and hardware platform as the ecological foundation. By continuously opening up core capabilities and providing standardized interfaces, the Company lowers the threshold for application development and deployment of humanoid robots, and works together with developers, industry chain partners, and industry collaborators to expand application scenarios, forming a mutually reinforcing development model of "technology – product – platform – ecosystem". The Company strives to build a global embodied intelligence humanoid robot ecosystem platform with sustained innovation and scalability.

UBTECH continues to ramp up its R&D investment in embodied intelligent humanoid robots, officially entering a new phase of application across three major application scenarios, namely industrial, commercial and household scenarios.

On the industrial front, UBTECH consistently focuses on industrial application scenarios, driving the "working" cluster mode of the embodied intelligent humanoid robots toward deeper large-scale deployment. Through multi-robot collaboration executing complex production line tasks, the robots carry out a series of workstation operations, including workbin handling, loading and unloading, and parcel sorting, SPS sorting, components assembly, process material handling, quality inspection. The Walker S series, bipedal series and Cruzr wheeled series serves as an industrial embodied intelligence carrier, designed specifically to address real-world industrial application needs, with the scale of mass production, the acceleration of application deployment of Cruzr Y1 and delivery for the Walker S2 continuing to expand. On the commercial front, targeting urban comprehensive service scenarios, UBTECH has launched the Walker C1, a commercial service embodied intelligent humanoid robot, becoming the Chain Expo's first official "**silicon-based spokesperson**". It is specifically designed to meet the needs of commercial scenarios such as exhibition hall guided tours, commercial reception, cultural and entertainment interaction, and education and scientific research. On the commercial and household front, we focus on scenarios of emotional companionship and personalized interaction, launching the Ultra-bionic humanoid robot U1 series, while continuously improving its humanoid interaction and long-term companionship capabilities.

BUSINESS REVIEW AND OUTLOOK

A. Robotic Technologies

At the complete robot level, we launched the Cruzr Y1 wheeled industrial embodied intelligent humanoid robot, which is built upon a foundation of domestic computing chips, proprietary hardware architecture and the ROSA software system, integrates technologies such as VLA, 3D visual perception, omni-directional mobility and integrated harmonic joints, and is equipped with a proprietary collaborative agent. In unstructured and mixed-material environments, it is capable of independently executing the entire chain of autonomous operations from perception to decision-making to grasping to placement. We developed the fourth-generation industrial embodied intelligent humanoid robot. This model offers significant improvements over the previous product generation in terms of on-device computing power, perception, and operational precision, and adopts innovative configuration to increase the range of motion of the leg joints, while aerospace-grade lightweight materials are used to reduce the overall weight of the machine by more than 15%, with the battery replacement time shortened to two minutes. We released a new generation of embodied intelligent humanoid robot, Walker C1, designed for commercial service scenarios. Building on the technical expertise gained from the large-scale mass production of the Walker S series, it innovatively introduces 3D-printed lattice structures as "muscle structures", featuring 53 degrees of freedom (DoF), and equipped with full-body trajectory tracking and dynamic balance algorithms as well as waist joint design to enhance high-dynamic motion capabilities. It also possesses 3D whole-body planning and real-time obstacle avoidance capabilities, enabling it to identify centimetre-level small obstacles and achieve real-time obstacle avoidance across all body joints. We also launched the ultra-bionic humanoid robot U1 series, which features dual male and female morphological designs with a total of 88 degrees of freedom across the entire body, and enhances anthropomorphism in whole-body movements and facial expressions through a modular head design, a "dual-pivot + four-bar" bionic cervical spine, a facial system with 19 active degrees of freedom, and multi-material process optimisation. On this basis, the Company has built a full-stack technology architecture encompassing bionic ontology, facial expression drive, edge-cloud collaborative intelligence, emotionally resonant foundation models, long-term memory and digital twins, reinforcing its capabilities in anthropomorphic interaction and long-term companionship.

At the domain control level of embodied humanoid robots, UBTECH has explored and developed a domain control solution that combines the brain and cerebellum of humanoid robots, further improving the integration of their electronic systems. At the same time, we are advancing the deployment of a second-source domain control platform, implementing system base image adaptation, sensor driver debugging, and master station full-process verification, promoting cost-reduction adaptation solutions.

In the first half of 2026, we have further improved the safety risk prevention system for embodied humanoid robot during the design stage, while continuously optimising manufacturing processes and full-dimensional testing and verification of components, modules, and complete robots. We overcame the quality and delivery challenges in the mass production of full-sized embodied humanoid robots, providing strong support to the achievement of annual production target of 10,000 units and the fulfilment of customer orders across multiple industries.

BUSINESS REVIEW AND OUTLOOK

B. Artificial Intelligence (AI) Technologies

For embodied intelligent humanoid robot swarm collaboration scenarios, we continue to optimise BrainNet 2.0, equipped with our self-developed Co-Agent specifically designed for industrial embodied intelligent humanoid robots, building an industrial-grade embodied intelligent AI dual-loop to drive the evolution of embodied intelligent humanoid robot applications in industrial scenarios towards refined collaboration.

In the first half of 2026, we completed the release of UBTECH's self-developed foundational large model, Thinker 1.0, and achieved the top ranking in nine embodied intelligence leaderboards. We continue to iterate our embodied intelligence foundational large model Thinker, launching the embodied intelligence world model Thinker-WM. We have built a unified multimodal spatial architecture based on Diffusion Transformer, achieving collaborative optimisation between video representation and robot action space, and ranked first in the Libero embodied benchmark in the first half of the year. In terms of the world model, we addressed data-reading bottlenecks and repeated encoding issues, which improved the training efficiency of the entire data processing pipeline by 17 times. At the same time, we supplemented supervisory signals across different modalities, reducing video action drift. These optimisations have made world model training more efficient, with generation results becoming more stable in terms of action logic and spatial geometry. Based on the above improvements, we expect to officially release the upgraded version, Thinker-WM 2.0, in the second half of 2026.

We have iterated and optimized the visual language action model (Thinker-VLA) with closed-loop feedback, built a VLA full-link technical framework, and optimized the on-device inference and motion control capabilities, so as to enhance the performance in complex operations such as autonomous millimeter-level precision loading and unloading, generalized grasping, and dual-arm collaborative box handling. At the same time, we have built an emotional interaction large model with multi-persona and multi-scene active empathetic dialogue capabilities, in order to construct a complete interaction system from passive response to active care.

We are building humanoid robot data collection and testing centers in multiple locations, and establishing a one-stop embodied intelligence data collection platform, with an aim to uniformly manage equipment, collection tasks and data resources, and connect the entire process of data collection, annotation, training and deployment. Meanwhile, the platform integrates real-machine data and world model-generated samples into the data flywheel, continuously feeding back into model.

In terms of embodied intelligence developer ecosystem construction, we have released the exclusive "Thinker Cosmos" developer community, continuously opening the full set of model weights, training toolchains and application cases to accelerate the large-scale implementation of embodied intelligence technology. In addition, we have also open-sourced the code and model weights of the Thinker embodied large model on GitHub and Hugging Face, which has accumulated more than a thousand downloads.

In terms of on-device inference optimization, through hardware-software co-development, we have achieved deep adaptation between our self-developed algorithms and the chip hardware, forming a deployment solution with four layers of full-link optimization: low-level system memory reclamation, on-device inference engine reconstruction, GPU computing power intelligent allocation, and low-loss model precision compression. We have reconstructed the VLA inference link based on C++ and Tensor RT, enhancing the efficiency of model optimization and inference. At the same time, we have asynchronously decoupled the visual understanding and action generation modules to enable efficient action generation.

BUSINESS REVIEW AND OUTLOOK

C. Integrated Robotic and AI Technologies

1. Integration of Positioning, Navigation, and AI

We have continuously advanced the iteration of spatial intelligence technology, thereby forming a navigation technology system centered on spatial perception, 4D ground truth system, mapping and localization, scene understanding, and intelligent planning.

In terms of spatial perception and scene understanding, through the 4D ground truth data closed-loop system, we have realized the deployment of the multi-view pure-vision multi-task spatial perception model for humanoid robots, enabling humanoid robots to have 360° full-coverage semantic obstacle perception and AEB safety monitoring. In the field of mapping and localization, we have continuously optimized the construction of the technical system for pure-vision mapping & localization and vision-LiDAR fused localization. Continuous improvements have been achieved in map construction, map compression, map updating, dynamic environment adaptation and localization robustness for indoor and outdoor scenarios, weak-texture scenarios, and large open scenarios, further enhancing deployment efficiency and interactive ease of use.

In terms of navigation decision-making and motion obstacle avoidance, our robots support the fusion processing of multi-source data including point cloud, map, LiDAR, OCC and OD, achieving the separation and filtering of dynamic and static obstacles as well as 3D full-body joint collision detection. We have continuously optimized the capabilities of robots' global planning, trajectory optimization, velocity planning and dynamic obstacle avoidance, supporting task planning for narrow passages, stairs and other complex scenarios. This helps to realize obstacle-avoidance following navigation under no-localization/mapless modes, and enhance the autonomous mobility of the robot in complex environments.

To further improve the anthropomorphism, safety, efficiency and intelligence of humanoid robot navigation, we have been exploring cutting-edge technical directions such as data-driven navigation, spatio-temporal memory, visual reconstruction and reinforcement learning, promoting the evolution of the navigation system from rule-driven to intelligent decision-making.

2. Integration of Motion Control and AI Technologies

In the first half of 2026, we have focused on full-body motion intelligence. First, we developed a general-purpose full-body tracking and control model to enable robots to understand full-body movements and achieve stable control. Second, we developed a full-body trajectory tracking model to further enable the rapid generation and replication of complex motion skills, thereby improving the efficiency of expanding robots' motion capabilities. We combined Xsens, Pico and Camera multi-source online teleoperation systems to enable the collection of complex motion data, and built a full-body motion dataset to support the continuous optimization of motion policies. At the same time, we established a robot motion control model training framework based on GPU clusters to support large-scale motion data processing and accelerate the iteration efficiency of full-body control models. Currently, our full-body trajectory tracking model can support the development of various dynamic skills, including waltz, boxing, gymnastics and guided-tour movements, enabling the rapid expansion of application scenarios such as teaching assistant robots.

BUSINESS REVIEW AND OUTLOOK

Building on our full-body trajectory tracking and control capabilities, we are expanding into motion generation technologies of humanoid robot driven by perception, voice commands and multimodal fusion, comprehensively understanding task objectives and the robot's own state, thereby generating more natural and stable full-body motion policies.

3. *Application and Deployment of VLA in Industrial Scenarios*

Our VLA (Vision-Language-Action) technology integrates visual perception, task instructions, and robotic action generation, enabling robots to autonomously generate and adjust operational actions in response to environmental changes. In the first half of 2026, we focused on advancing the industrial application of VLA technology in industrial handling and loading/unloading scenarios.

In the area of industrial handling, we have established a complete application closed loop encompassing real-world operational data, model training, edge-side deployment, and robot control. Leveraging UBTECH's self-developed ROSA robotic system, we have optimised the model inference and control pipeline, enabling robots to autonomously handle anomalies such as significant container tilting, thereby enhancing stability across multiple robot models and diverse scenarios.

In loading/unloading scenarios, we have introduced wrist-mounted visual perception and optimised the data collection – model training – real-robot deployment pipeline across task sequences including material pick-up, loading, unloading, and placement. This enhances the robots' adaptability to dynamic incoming materials and fine-manipulation tasks. Currently, our success rate in laboratory settings has reached 75%, preliminarily validating the generalisation capability of VLA technology in transitioning from controlled environments to dynamic industrial scenarios.

4. *Integration of Embodied Simulation and AI Technologies*

In the development of our embodied simulation platform, we have continued to enhance end-to-end capabilities across scene reconstruction, asset generation, data synthesis, simulation evaluation, and platform architecture. We have already achieved real-scene reconstruction in simulation environments and scene understanding based on large language models (LLMs), supporting the construction of virtual objects at lower cost and higher efficiency through methods such as text-to-3D and image-to-3D, further enhancing the generalization efficiency of simulation scenarios. In terms of data generation, we have developed multiple data generation capabilities, including teleoperation, data augmentation, and automated generation, providing more data for robotic model training. In terms of model testing, we have integrated embodied AI models and motion control models, and have conducted tests in typical scenarios such as box handling and loading/unloading. We have also established a systematic Sim2Real (simulation-to-reality) Gap analysis framework to improve the accuracy of simulation results.

As at June 30, 2026, we held 3,112 granted patents, representing a 4.2% increase compared to the end of 2025, which 530 patents were granted overseas.

BUSINESS REVIEW AND OUTLOOK

PART II BUSINESS REVIEW

I. Full-size embodied intelligent humanoid robot products and services

For the first half of 2026, full-size embodied intelligent humanoid robot products and services for all scenarios achieved revenue of RMB590.3 million, representing a year-on-year increase of 1,445.0%; achieved sales volume of 921 units, representing a year-on-year increase of 1,946.7%.

For full-size embodied intelligent humanoid robot products, the Company continues to improve its product matrix of embodied intelligent humanoid robots. The Company has launched the Cruzr Y1 wheeled humanoid robot for industrial scenarios such as manufacturing and warehousing, the Walker C1 bipedal humanoid robot for commercial services, education and research scenarios, and the ultra-bionic humanoid robot U1 series for commercial and consumer companionship scenarios. This diversified product matrix is driving the evolution of embodied intelligent humanoid robots towards multi-scenario applications:

1. Product matrix continues to improve, forming a layout of humanoid robot products and services covering different application directions

Designed for manufacturing and warehousing scenarios, Cruzr Y1 focuses on addressing key challenges in flexible operations involving various types of bins, cartons, material loading and unloading, and sorting. It directly addresses critical pain points in the manufacturing industry associated with conventional automated equipment, including limited generalisability, lengthy changeover and commissioning cycles, and the inability to perform more than a single process. The Walker C1 is positioned for commercial and educational scenarios, catering to application needs such as guiding and reception, interactive display, education and research. It is equipped with capabilities including anthropomorphic gait, dancing, multimodal interaction, tour guiding and full-body motion. The U1 series is positioned as a hyper-bionic humanoid robot product, exploring the direction of consumer-grade companionship and human-robot emotional interaction through full-size bionic design, modular structure and a high-degree-of-freedom motion system.

2. Humanoid robot product capabilities continue to improve, evolving towards high-dynamics, high-interaction, high-intelligence and high-human-likeness

Overall, the Company's humanoid robot products are gradually developing into an integrated technology system combining motion control, multimodal interaction and intelligent decision-making capabilities. In particular, Cruzr Y1 enhances autonomous perception, intelligent decision-making, multi-robot collaboration and continuous operation capabilities, driving the expansion of humanoid robots into multi-scenario applications. Walker C1 focuses on enhancing high-dynamic balance, whole-body motion control and multimodal interaction capabilities, and can demonstrate extreme dynamic balance while maintaining single-foot or dual-foot point contact. The U1 series focuses on enhancing its hyper-bionic appearance, facial expressions, emotional interaction and long-term memory capabilities.

BUSINESS REVIEW AND OUTLOOK

In respect of full-size embodied intelligent humanoid robot services, our core business continues to advance around high-value scenarios such as material handling, loading/unloading, sorting, depalletizing and palletizing. We are progressively establishing a closed-loop solution framework for large-scale deployment, covering demand assessment, solution design, teleoperation validation, data acquisition and model training:

1. Key industrial scenarios have been continuously expanded, driving robots from technical verification to practical applications. We have carried out solution validation for typical industrial scenarios such as material handling, sheet metal parts loading and unloading, express sorting, seeding wall sorting, depalletizing and palletizing.

2. A multi-technical-route synergistic solution capability has been formed, matching different technical paths according to scenario requirements. We have also explored the combined application of teleoperation, VLA, end-to-end and other technical solutions based on the characteristics of different industrial tasks.

3. Remote teleoperation capabilities have continued to break through, enabling cross-geographical robot operation and data acquisition capabilities. We have completed cross-region remote teleoperation tests based on wireless links, and established routine remote teleoperation test points at the embodied intelligence data acquisition centre.

4. Data infrastructure has been progressively enhanced to support the continuous iteration of robotic AI capabilities. We have completed the upgrade of our embodied intelligence data acquisition centre, expanding our data collection capabilities towards scenario-based data services and data trading. We have established a data system covering real-robot data, manually annotated data and human motion data, while enhancing our capabilities in automated pre-screening, VLA annotation and data backup, thereby supporting robot model training, skill optimisation and large-scale deployment.

II. Non-Embodied Intelligent Humanoid Robot Products and Services

In the first half of 2026, UBTECH continued to explore its presence in the non-embodied intelligent humanoid robot field. On the R&D front, the AI Wukong robot collaborated with hundreds of domestic and international business partners to actively explore and implement vertical products and products for export across various industries. Together with partners, we launched multiple language versions, including Cantonese, English, Spanish, and German, as well as customized products for early childhood education, live streaming, and higher education. On the market front, seizing the promotional opportunity of the 2026 FIFA World Cup, we actively carried out diversified brand marketing and cross-border content initiatives. We collaborated with renowned sports commentator Zhan Jun to produce a viral Douyin video for the AI Wukong robot, and established an extensive partnership with Migu Live to achieve a closed-loop conversion through event in-stream ads and e-commerce live streaming. As a result, our marketing content related to the Wukong robot achieved over 10 million views and over 50,000 interactions across the internet.

BUSINESS REVIEW AND OUTLOOK

In the first half of 2026, we completed an iterative upgrade of the desktop humanoid robot Yanshee Pro, significantly enhancing its edge-side computing power and environmental perception capabilities. This upgrade supports the implementation of cutting-edge technologies such as LLM, VLM, and VLA in education, promoting the application of multimodal embodied intelligence technology in both primary and vocational education. This represents an upgrade in teaching models from "traditional STEAM AI" to "advanced embodied intelligence education".

III. Other Intelligent Robot Products and Services

1. *Education intelligent robot products and intelligent robot services*

In the first half of 2026, in the K12 education sector, the Company has officially commenced the R&D of a new-generation Yanshee humanoid robot, equipped with a higher-performance computing chip that significantly enhances edge computing capabilities, AI algorithm deployment, and secondary development capabilities, thereby providing a more stable and open hardware foundation for AI and robotics education, competitions, and practical training. With the goal of "bringing embodied AI into real-world classrooms", we continue to advance the R&D and scenario validation of humanoid teaching assistant robots. Equipped with the UIRO intelligent teaching assistant system, the robots are designed to enhance course comprehension, lesson planning, classroom collaboration, and intelligent scheduling. We have initially established a human-machine collaborative teaching closed loop featuring "teacher-led, UIRO-coordinated, and robot-executed" operations, laying a product foundation for AI classrooms, embodied intelligence laboratories, and educational innovation demonstration scenarios. Meanwhile, the Company continues to optimize the UDECA series of open intelligent hardware teaching platforms, enrich its library of bionic teaching cases, and integrate interdisciplinary curricula to develop an end-to-end "creation and manufacturing" solution for innovation and technology education. This effectively addresses key industry challenges, including fragmented disciplines and insufficient practical engineering training. The UDECA series and UGOT products have been adapted for competition programs and support the implementation of ROBOG competitions, further strengthening the Company's technological advantages and industry position in AI innovation and technology education.

In the industry-education integration context, targeting universities, vocational colleges, and developers, we have launched a new suite of embodied intelligence product solutions covering scientific research, practical training, and secondary development, which have received positive recognition from both domestic and overseas customers. In collaboration with the China Vocational and Technical Education Society under the Ministry of Education, we launched the "Production Process Industrial Humanoid Data Collection Center" initiative, with 28 institutions participating in the initial construction. Shenzhen Polytechnic University, in collaboration with UBTECH, established the first embodied intelligence industry institute at a vocational undergraduate university in China. We launched the Thinker Cosmos embodied intelligence developer community, providing the Thinker Studio/Lab developer toolchain and hosting third-party open-source algorithm sets, receiving support from universities including CUHK, Beihang University, and Wuhan University. Concurrently, we launched the Global Humanoid Robot Challenge, attracting 173 teams from 13 countries and regions to participate in challenges related to industrial scenario algorithms and applications. In overseas regions such as Germany and South Korea, we are collaborating with local developer partners to carry out secondary development and application implementation in research and industrial scenarios.

BUSINESS REVIEW AND OUTLOOK

In terms of platform ecology, we continue to optimize the UDECA series of open intelligent hardware teaching platforms, enrich the bionic teaching case library, and integrate a multi-disciplinary framework to construct a full-process “creation and manufacturing” solution for science and innovation education. This addresses industry pain points such as subject fragmentation and a lack of engineering practice. We have also completed the adaptation of competition schemes for the UDECA series and UGOT products, supporting the implementation of the ROBOG competition, thereby reinforcing the Company’s technological advantages and industry position in the field of AI science and technology innovation education.

In terms of overseas expansion, we accelerated our internationalization efforts by establishing strategic partnerships with overseas partners and local governments, while exploring localized production and localized education and training service models. For products such as uKit AI, UGOT and Yanshee, we established a standardized raw material export system, streamlined the entire process, and implemented a localization adaptation mechanism for less widely spoken languages, thereby reducing the risks associated with overseas operations.

2. Logistics intelligent robot products and intelligent robot services

In the first half of 2026, the next-generation unmanned logistics vehicle, Chitu, officially rolled off the production line at the Foxconn’s Zhengzhou plant and commenced global pre-sales. We continued to optimise industrial logistics scenario applications based on wheeled humanoid robots, and completed project deliveries to multiple Fortune Global 500 clients, including OPmobility, Jabil, Foxconn and Honda. At the same time, we officially initiated the construction of our sales channel network in the China market, significantly expanding the sales and operational channels for our Wali series industrial mobile robots and Chitu unmanned logistics vehicles.

3. Other sector-tailored intelligent robot products and intelligent robot services

In the first half of 2026, in terms of market expansion, we accelerated multi-scenario penetration and the development of our global channel network, and engaged in in-depth, end-to-end collaboration with industry partners across key operation and maintenance scenarios in various industries, including business travel and power grids, to explore large-scale deployment of humanoid robots. In parallel, we continued to drive the commercial deployment of our commercial robot series in both domestic and overseas markets. Product sales and channel development have covered multiple key markets across Chinese mainland and overseas, including Europe, North America, Japan, South Korea, the Middle East, Southeast Asia, Central Asia and Latin America, enabling us to continuously expand the market potential for commercial service and other sector-tailored intelligent robot products and services.

BUSINESS REVIEW AND OUTLOOK

IV. Other Intelligent Hardware Devices

In the first half of 2026, in terms of smart pet hardware, UBTECH continued to deepen its presence in smart pet devices, with global sales of its intelligent pet equipment continuing to maintain a leading market position. The smart cat litter boxes C30 and C40 became best-selling new products, while the smart refrigerated pet feeder F20 also received strong market recognition. We also launched the CP100 and MV10 series of smart cleaning products focusing on niche categories such as carpets, upholstered fabrics and mattresses, further enriching our home product line with cost-effective solutions.

In terms of smart yard robotics, the smart lawnmower M20 is being launched to the market, with its product strength gaining recognition from a wide range of channel customers. We have commenced the R&D project for the PC30 series of new smart pool cleaning robots, focusing on the synergistic enhancement of cost optimisation, performance experience and overall product strength. This series is planned to commence mass production and hit the market officially by the end of 2026.

V. Garden Machinery, Automotive and Hydraulic Components

In the first half of 2026, the Company remained market-focused and proactively responded to changes in both domestic and international sales environments. It monitored overseas niche markets that lead industry trends to drive business development. At the same time, the Company stepped up efforts to expand its domestic sales market, continuously exploring new customers and application areas. In addition, leveraging resources from its existing shareholders, industry networks, and manufacturing capabilities in mechanical and electronic control systems, the Company advanced its exploration of new business opportunities and pursued upgrades to its business structure. The Company continued to strengthen refined cost management across all aspects of procurement, production, and operations, with an emphasis on inventory control and strict implementation of price comparison mechanisms, so as to continuously enhance its cost advantages. In response to fluctuations in raw material markets, the Company maintained close communication and negotiation with customers, promptly initiating product price adjustments to reasonably pass on cost pressures.

BUSINESS REVIEW AND OUTLOOK

PART III FUTURE OUTLOOK

UBTECH has been adopting embodied intelligent humanoid robots and AI as the Company's core strategy, focusing strategically on the research and development of embodied intelligence technology and its commercial application, and working hard on the breakthrough towards the commercialization of embodied intelligent humanoid robot technology and AI technology, continuously enhancing the autonomous perception, decision-making, manipulation and collaborative capabilities of humanoid robots, committed to expanding the reach of embodied intelligent humanoid robots from industrial and commercial applications to every household. Specifically, we will focus on the following areas:

1. Embodied Intelligent Humanoid Robots

Building on our existing product matrix, we will further promote the cross-model reuse and platformisation of key technologies, while enhancing the standardisation of core components, software and hardware interfaces, and overall system architectures. We will continue to invest in the R&D of new models of the Walker S series of industrial embodied intelligent humanoid robots, and promote product upgrades and new model development for the commercial Walker C series and the Ultra-bionic humanoid robot U1 series, which covers commercial, educational and home scenarios. In terms of overall machine technology, our focus is on advancing integrated joints, bionic five-fingered dexterous hands and other key technologies, further advancing core capabilities including full-sized bipedal configurations, lightweight design, high-load stability, high-precision perception and manipulation, on-device intelligence, autonomous battery swapping, and industrial-grade safety, thereby enhancing overall system integration, system stability, single-unit autonomy, swarm collaboration, and continuous operation capabilities. We aim to drive the large-scale application of embodied intelligence across industrial, commercial, educational, and home scenarios. Concurrently, we will continue to build a robotics developer community and an open ecosystem platform, bringing together industry partners to jointly expand the application ecosystem for embodied intelligence humanoid robots.

2. Industrial Vertical Domain Embodied Intelligence Dataset

Based on our multiple humanoid robot data collection and testing centers, we will further refine our unified data standards, quality control and automated processing capabilities, and enhance data processing efficiency and quality through methods such as large-model-assisted annotation and cross-validation across multiple models. Building upon remote operation of physical robots, we will further expand our multi-source data system to include first-person data, data without a physical body, data generated from world models, and data from simulation platforms. We will continue to improve the construction of our embodied simulation platform to enhance the efficiency of model training and adaptation to new scenarios.

BUSINESS REVIEW AND OUTLOOK

3. Multi-modal Perception and Large Model Technology

We will continue to iterate the Thinker embodied intelligence foundation large model, promote the upgrades of the Thinker-WM world model and the Thinker-VLA vision-language-action model, and further enhance the models' ability to understand the environment, tasks, and the robot's own state. We will further enhance Thinker-WM's video generation and action prediction capabilities, and strengthen Thinker-VLA's abilities in long-term task understanding, cross-scenario generalization, fine-grained operations, and real-time inference on the device side. In terms of human-robot interaction, we will continue to improve the emotional resonance large model, enhancing its long-term memory, natural interaction, and personalized companionship capabilities.

4. Embodied Intelligence Decision-Making Technologies

We will continue to focus on complex industrial tasks and multi-robot collaboration scenarios and continue to iterate and enhance the BrainNet and Co-Agent to strengthen their capabilities in task understanding, task decomposition, skill invocation, execution feedback and autonomous error correction, enhance task scheduling, state sharing and resource coordination among multiple robots, and improve the level of autonomous operation of individual robots and dynamic coordination among multiple robots. We will also further improve the "proactive perception – proactive decision-making – proactive action" workflow to support cluster-based deployment in industrial scenarios.

5. End-to-End Motion Control Technology

We will continue to advance end-to-end learning-based motion control and dexterous manipulation technologies, so as to improve the highly generalized manipulation performance of robots in complex industrial tasks and commercial scenarios. In terms of full-body motion control, we will continuously expand the full-body motion dataset, iterate the universal full-body trajectory tracking model, optimize the VLA-RL reinforcement learning model and force control algorithm, to further enhance the success rate and stability of operations in industrial scenarios.

6. End-to-End Full-Body Humanoid Navigation Technology

We will further advance the research and development of end-to-end humanoid navigation technology on the basis of the development of our navigation and spatial intelligence capabilities, with a focus on the development of technologies including spatio-temporal memory, visual reconstruction, data-driven planning and control, reinforcement learning-based local navigation, and vision-language navigation, so as to promote the gradual evolution of navigation towards an integrated approach encompassing perception, understanding, planning and control. By accumulating real-environment data and optimising navigation strategies, we will improve the robots' adaptability to dynamic pedestrians, narrow passages, and complex obstacles, driving our navigation capabilities to upgrade from "being able to reach a target point" to "completing tasks more naturally, more safely and more efficiently". This will provide stronger technical support for the task execution of humanoid robots in industrial, commercial and multi-scenario services.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

Our revenue attributable to full-size embodied smart humanoid robot products and services increased by 1,445.0% from RMB38.2 million for the six months ended June 30, 2025 to RMB590.3 million for the six months ended June 30, 2026, primarily due to the accelerated adoption of applications across large-scale scenarios, successfully translating accumulated technological expertise into the delivery of bulk orders.

Our revenue attributable to non-embodied smart humanoid robot products and services increased by 21.9% from RMB26.8 million for the six months ended June 30, 2025 to RMB32.7 million for the six months ended June 30, 2026, primarily due to the Company's continuous launch of new products, resulting in increased revenue from new product sales.

Our revenue attributable to other smart robot products and services decreased by 18.8% from RMB302.8 million for the six months ended June 30, 2025 to RMB245.8 million for the six months ended June 30, 2026, primarily due to the decrease in revenue from education smart robot products and services.

Our revenue attributable to other smart hardware devices increased by 2.9% from RMB252.0 million for the six months ended June 30, 2025 to RMB259.4 million for the six months ended June 30, 2026, primarily due to the Company's continuous launch of new products, resulting in increased revenue from new product sales.

Our revenue attributable to garden machinery, automotive and hydraulic components products increased from RMB nil for the six months ended June 30, 2025 to RMB139.2 million for the six months ended June 30, 2026, primarily due to the acquisition of equity interests in Zhejiang Fenglong Electric Co., Ltd.* (浙江鋒龍電氣股份有限公司), which was completed in March 2026 and its financial results have been included in the consolidated financial statements of the Group since April 2026.

COST OF SALES

Our cost of sales for the six months ended June 30, 2026 was RMB702.3 million, representing an increase of 73.8% as compared with RMB404.1 million for the six months ended June 30, 2025, primarily due to the increase in revenue leading to a corresponding increase in costs.

GROSS PROFIT AND GROSS PROFIT MARGIN

As a result of foregoing, our overall gross profit for the six months ended June 30, 2026 was RMB566.9 million, representing an increase of 160.9% as compared with RMB217.3 million for the six months ended June 30, 2025. For the six months ended June 30, 2026, our overall gross margin was 44.7%, representing an increase of 9.7 percentage points from 35.0% for the six months ended June 30, 2025. This was primarily attributable to changes in our revenue structure, with an increased proportion of revenue generated from our full-size embodied smart humanoid robot products and services, which have a higher gross profit margin.

MANAGEMENT DISCUSSION AND ANALYSIS

SELLING EXPENSES

Our selling expenses for the six months ended June 30, 2026 were RMB238.0 million, representing an increase of 6.5% as compared with RMB223.5 million for the six months ended June 30, 2025, primarily due to an increase of RMB29.3 million in advertising and promotion expenses as a result of the Company's intensified efforts in brand promotion and the marketing of new products.

Selling expenses as a percentage of revenue decreased from 36.0% for the six months ended June 30, 2025 to 18.8% for the six months ended June 30, 2026, as our revenue significantly increased.

ADMINISTRATIVE EXPENSES

Our administrative expenses for the six months ended June 30, 2026 were RMB149.3 million, representing a decrease of 19.3% as compared with RMB185.1 million for the six months ended June 30, 2025, primarily due to a decrease of RMB51.6 million in share-based payments.

Administrative expenses as a percentage of revenue decreased from 29.8% for the six months ended June 30, 2025 to 11.8% for the six months ended June 30, 2026, as our revenue significantly increased while share-based payments decreased.

RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses for the six months ended June 30, 2026 were RMB303.1 million, representing an increase of 38.9% as compared with RMB218.3 million for the six months ended June 30, 2025, primarily due to the Company's continued increase in investment in the research and development of full-size embodied smart humanoid robot products.

Research and development expenses as a percentage of revenue decreased from 35.1% for the six months ended June 30, 2025 to 23.9% for the six months ended June 30, 2026, as our revenue significantly increased.

CREDIT IMPAIRMENT LOSSES

We had credit impairment losses of RMB91.1 million for the six months ended June 30, 2026 as compared to a credit impairment losses of RMB1.3 million for the six months ended June 30, 2025, primarily due to changes from the external rating method to the migration rate method of the Company since the end of 2025 to determine the expected credit loss rate, thereby resulting in a year-on-year increase in the provision for credit impairment losses.

OTHER INCOME

Other income consists primarily of government grants, value-added tax and other tax refunds.

For the six months ended June 30, 2026, our other income was RMB8.3 million (for the six months ended June 30, 2025: RMB4.6 million).

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING LOSS

As a result of the foregoing, we had an operating loss of RMB279.1 million for the six months ended June 30, 2026, representing a decrease of 36.4% from the operating loss of RMB439.1 million for the six months ended June 30, 2025.

FINANCE EXPENSES

Our finance expenses primarily comprised (i) interest expenses on our lease liabilities; (ii) interest expenses on borrowings; (iii) exchange gains and losses; and (iv) interest income.

We had finance expenses of RMB23.3 million for the six months ended June 30, 2026, as compared to our finance income of RMB10.2 million for the six months ended June 30, 2025, mainly due to an increase in foreign exchange losses for the Reporting Period.

INCOME TAX EXPENSE

Our income tax expense increased from RMB4.9 million for the six months ended June 30, 2025 to RMB59.0 million for the six months ended June 30, 2026, primarily due to an increase in pre-tax profits of our taxable subsidiaries.

LOSS FOR THE PERIOD

For the six months ended June 30, 2026, we reported a loss for the period of RMB338.8 million, representing a decrease of 23% from the loss of RMB440.0 million for the six months ended June 30, 2025.

NON-GAAP MEASURES

To supplement our consolidated financial statements, which are presented in accordance with PRC GAAP, we also use "adjusted net loss for the period (non-GAAP measure)" and "adjusted EBITDA (non-GAAP measure)" as additional financial measures. We present these financial measures because they are used by our management to evaluate our financial performance. We also believe these non-GAAP measures provide additional information to investors and others in understanding and evaluating our results of operations in the same manner as they help our management. However, these non-GAAP measures do not have a standardized meaning prescribed by PRC GAAP and therefore, they may not be comparable to similar measures presented by other companies.

We define "adjusted net loss for the period (non-GAAP measure)" as loss for the period adjusted by adding back share-based payments (being non-cash in nature). We define "adjusted EBITDA (non-GAAP measure)" as "adjusted net loss for the period (non-GAAP measure)" adjusted by adding back (i) interest expenses; (ii) income tax expense; (iii) depreciation and amortisation, which are non-cash in nature; (iv) credit impairment losses; and (v) asset impairment loss, and deducting interest income from it.

MANAGEMENT DISCUSSION AND ANALYSIS

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Reconciliation of loss for the period to "adjusted EBITDA (non-GAAP measure)" and "adjusted net loss for the period (non-GAAP measure)"		
Loss for the period	**(338,827)**	(439,989)
Add:		
Share-based payments	**–**	72,205
Adjusted net loss for the period (non-GAAP measure)	**(338,827)**	(367,784)
Add:		
Interest expenses(Note)	**1,191**	2,130
Income tax expense	**59,040**	4,857
Depreciation and amortization	**62,207**	44,370
Credit impairment loss	**91,070**	1,303
Asset impairment loss	**3,771**	470
Less:		
Interest income	**52,596**	7,187
Adjusted EBITDA (non-GAAP measure)	**(174,144)**	(321,841)

Note: Interest expenses included interest expenses on borrowings, net of amount capitalised and lease liabilities.

LIQUIDITY AND CAPITAL RESOURCES

Cash at Bank and on Hand

As at June 30, 2026, our cash and cash equivalents were RMB2,325.6 million, compared to RMB4,887.9 million as at December 31, 2025, mainly attributable to the payment of RMB1,665.3 million due to the completion of the material acquisition. Most of our cash and cash equivalents were denominated in RMB.

Gearing Ratio

We monitor capital with reference to our gearing ratio, which is calculated as total interest bearing borrowings and lease liabilities divided by total equity. As of June 30, 2026, our gearing ratio was 13.3% (as at December 31, 2025: 16.0%) and our liquidity position remains strong to meet our working capital requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITIONS AND DISPOSALS

As disclosed in the Company's circular dated 16 February 2026 (the "**Circular**") and the Company's announcements dated December 24, 2025, March 10, 2026, March 12, 2026 and April 24, 2026, in March 2026, we acquired 65,529,906 A-shares of Zhejiang Fenglong Electric Co., Ltd. (浙江鋒龍電氣股份有限公司) ("**Fenglong Shares**") (representing approximately 29.99% of the total issued share capital of Fenglong Shares), and became the controlling shareholder of Fenglong Shares (taking into account the giving up of voting rights in relation to the pre-acceptance shares by the vendors as detailed in the Circular). In April 2026, we acquired an additional 28,450,000 A-shares of Fenglong Shares (representing approximately 13.02% of the total issued share capital of Fenglong Shares), and the Company held an aggregate of 93,979,906 A-shares of Fenglong Shares (representing approximately 43.01% of its total issued share capital). The financial results of Fenglong Shares have been consolidated into the Group's consolidated financial statements with effect from April 2026.

Save as disclosed above, the Group had no material acquisitions and disposals during the Reporting Period.

MATERIAL INVESTMENTS HELD/FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS

During the Reporting Period, the Group did not hold any significant investment as defined under paragraphs 32(4) and (4A) of Appendix D2 to the Listing Rules.

We refer to the announcement of the Company dated January 22, 2026 (the "**Announcement**") in relation to the investment in the Partnership by the Group (the "**Investment**"). The Investment constitutes a discloseable transaction under Chapter 14 of the Listing Rules. For details of the Investment, please refer to the Announcement. During the Reporting Period, there was no material change in the Investment.

The Group did not have any future plans for material investments or acquisition of capital assets during the Reporting Period.

FOREIGN EXCHANGE EXPOSURE

During the six months ended June 30, 2026, we mainly operated in China with most of the transactions settled in RMB. The functional currency of our Company and the subsidiaries is RMB. As of June 30, 2026, our balance of the cash and cash equivalents was mainly denominated in RMB. We continue to adopt a conservative approach in our foreign exchange exposure management. During the Reporting Period, we did not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. We review our foreign exchange risks periodically and use derivative financial instruments to hedge against such risks when necessary. As of June 30, 2026, our business is not exposed to any significant foreign exchange risk.

MANAGEMENT DISCUSSION AND ANALYSIS

PLEDGE OF ASSETS

As of December 31, 2025 and June 30, 2026, 100% of the equity interest in Shenzhen UBTECH Technology Industrial Co., Ltd.* (深圳市優必選科技實業有限公司), a subsidiary of our Group, and the real estate ownership held by it, along with some of the patent rights owned by the Group, have been charged/pledged to secure bank loans of our Group mainly for our construction of property, plant and equipment.

BORROWINGS

Our borrowings decreased from RMB1,123.0 million as of December 31, 2025 to RMB997.3 million as of June 30, 2026, of which 43.4% are fixed-rate borrowings. Such borrowings are mainly in respect of daily operations and the payments of the construction cost of our headquarter building located in Shenzhen.

CONTINGENT LIABILITIES

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

CAPITAL COMMITMENTS

As of June 30, 2026, our capital commitments amounted to RMB614.0 million (as of December 31, 2025: RMB1,063.5 million), primarily for capital expenditures of construction projects of the Company in Hangzhou and Wuxi.

CORPORATE GOVERNANCE AND OTHER MATTERS

Built on our vision, values and culture, we are committed to developing a positive corporate governance culture that allows employees across the Group to thrive, meet their full potential, and that enables our Company to deliver long-term sustainable growth and success.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

We have adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practice.

During the Reporting Period, except that Mr. Zhou Jian, an executive Director, has been performing the roles as the chairman of our Board and the chief executive officer of our Company, which deviates from Code Provision C.2.1 of the CG Code, our Company has complied with all applicable code provisions set out in the CG Code, and adopted most of the recommended best practices set out therein. Our Directors (including our independent non-executive Directors) consider that it would be most suitable for Mr. Zhou to hold both the positions of chief executive officer and the chairman of our Board, and that the existing arrangements are beneficial to the management of our Group and are in the interests of our Company and our shareholders as a whole. The balance of power and authority is ensured by the operation of the senior management and our Board, both of which comprises experienced and high-calibre individuals. Our Board will continue to review the current structure from time to time and consider the appropriate move to take when appropriate. We are committed to the view that our Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on our Board, which can effectively exercise independent judgment.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND EMPLOYEES

We have adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by our Directors. Having made specific enquiries with all Directors by the Company, all Directors confirmed that they have been in compliance with the required standards set out in the Model Code during the Reporting Period.

AMENDMENTS IN CONSTITUTIONAL DOCUMENTS

During the Reporting Period, the amendments for the Articles of Association were approved by the Shareholders at the 2026 second extraordinary general meeting of our Company held on March 19, 2026. The relevant amendments mainly reflected the latest total number of Shares and registered capital of our Company upon completion of placing of 31,468,000 new H Shares under general mandate completed on December 2, 2025.

For the full text of the amended Articles of Association, please refer to the website of the Stock Exchange at www.hkexnews.hk and our website at www.ubtrobot.com.

CORPORATE GOVERNANCE AND OTHER MATTERS

CHANGES IN POSITIONS HELD BY AND INFORMATION OF DIRECTORS AND MEMBERS OF SENIOR MANAGEMENT

The changes in the positions held by and information of the Directors and senior management members which were required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are as follows:

Name of Director	Details of changes
Mr. Zhou Jian	Mr. Zhou has served as a director of Shanghai DeYou Zhilian Robot Technology Co., Ltd.* (上海德優智聯機器人科技有限公司) since May 20, 2026, as the vice chairman of Xixuan Chuangzhi Technology (Wuxi) Co., Ltd.* (曦選創智科技(無錫)有限公司) since May 27, 2026, and as the chairman and a non-independent director of Zhejiang Fenglong Electric Co., Ltd. (Stock Code: 002931.SZ) since June 12, 2026.
Mr. Zhou Zhifeng	Mr. Zhou has been re-designated as a non-executive director of Viewtrix Technology Co., Ltd (Stock Code: 3310. HK) since June 2025. Mr. Zhou has retired as a director of Beijing HyperStrong Technology Co., Ltd. (Stock Code: 688411. SH) with effect from July 2026.
Dr. Xiong Hui	Dr. Xiong has received a number of recognitions, including recognition as an Association for Computing Machinery (ACM) Fellow and a China Computer Federation (CCF) Fellow in 2026.

Save as disclosed above, there is no other information required to be disclosed herein pursuant to Rule 13.51B(1) of the Listing Rules.

EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2026, the Group had 2,744 employees. During the six months ended June 30, 2026, the employee benefit expenses of the Group amounted to approximately RMB484.9 million, as compared to approximately RMB420.8 million during the six months ended June 30, 2025. We care for the needs of our employees and offer a variety of employee benefits. We have developed the Payroll Calculation and Disbursement Process (《薪資核算及發放流程》) and UBTech Payroll Adjustment Process (《優必選科技調薪流程》). We provide employees with five social insurances and housing provident fund, including pension insurance, unemployment insurance, medical insurance, work injury insurance, maternity insurance and housing provident fund, according to the regulations, and also employee's compensation which consists of base salary, performance-based salary, overtime pay, various types of subsidies, business commission, project bonuses and other items.

In addition, in order to, among other things, improve our incentive mechanism to attract, motivate and retain Directors, senior management and employees who have made outstanding contributions to our sustainable operation, development and long-term growth, the 2024 H Share Incentive Scheme and the 2026 H Share Incentive Scheme (as defined below) of our Company were approved and adopted at the 2024 fifth extraordinary general meeting and the 2026 third extraordinary general meeting of the Company, respectively, under which our Board may grant awards of H Shares to, among others, any employee of our Group in accordance with the rules of the H Share Incentive Scheme. For further details, in respect of the 2024 H Share Incentive Scheme and the 2026 H Share Incentive Scheme, please refer to the announcement of our Company dated July 31, 2024 and August 10, 2026 and the circular of our Company dated August 28, 2024 and August 10, 2026.

CORPORATE GOVERNANCE AND OTHER MATTERS

EMPLOYEE TRAINING

In order to increase the competitiveness of our employees and to cope with the rapid development of robotics and intelligence, we provide our employees with various training programmes on a regular basis. We have developed the Professional Talents Promotion Process (《專業人才晉升流程》), Training Requirement Application Process (《培訓需求申請流程》), Human Resources Control Procedures (《人力資源控制程序》), UBTech Talent Development Framework (《優必選人才發展框架》), and the UBT Employee Performance Management Handbook (《UBT員工績效管理手冊》) to regulate employee training and promotion matters. If necessary, we will allow our staff to attend training programmes organised by external training institutes or hire external trainers to conduct training for our staff.

EQUITY INCENTIVE SCHEMES

Since 2015, we have approved and adopted the equity incentive schemes (the "**Equity Incentive Schemes**") for the purpose of motivating, retaining and rewarding talents for their contribution to the development of our Group and linking the interests of the participants under the Equity Incentive Schemes with those of our Company and our Shareholders. Given that no shares or options over shares in our Company or subsidiaries are granted pursuant to the terms of the Equity Incentive Schemes, and no Awards (as defined below) will be further granted after the Listing, there will not be any dilution effect to the issued Shares after Listing and the terms of the Equity Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules.

As at June 30, 2026, all the Shares underlying the Equity Incentive Schemes have been issued, granted and vested, and to the extent that there is any change to the grants under the Equity Incentive Schemes after the Listing, the Company will comply with the applicable Listing Rules (including the requirements under Chapter 14A of the Listing Rules applicable to grants to connected persons, if any).

Equity Incentive Schemes Platform

Shenzhen Evolution Investment Limited Partnership* (深圳市進化論投資合夥企業(有限合夥)) ("**Shenzhen Evolution**"), a limited partnership, was established as the "direct level incentive shareholding platform" for the purpose of the Equity Incentive Schemes, and held approximately 3.85% of the issued Shares in our Company as at June 30, 2026. 41 limited partnerships were established as the "indirect level incentive shareholding platforms" which act as the limited partners of Shenzhen Evolution. Participants under the Equity Incentive Schemes may be granted partnership interest in the indirect level incentive shareholding platforms (the "**Awards**"). As the indirect level incentive shareholding platforms own partnership interest in Shenzhen Evolution which in turn owns our Shares directly, the participants would be indirectly interested in our Shares.

As at June 30, 2026, Ms. Jiang Shuyuan was the general partner of Shenzhen Evolution, while Ms. Wang Lin was the general partner of all of the indirect level incentive shareholding platforms. The above arrangement of the equity incentive schemes could offer incentives to the participants through granting them indirect interest in our Shares while allowing our core management team to retain control on the voting rights of the incentive shareholding platforms in respect of our Shares.

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The general principal terms of the equity incentive schemes are summarised below.

(a) Purpose

The equity incentive schemes were established for the purpose of motivating, retaining and rewarding talents for their contribution to the development of our Group and linking the interests of the participants under the equity incentive schemes with those of our Company and our Shareholders.

(b) Participants

Participants include the directors, supervisors, senior management and other core employees of our Group and other designated persons.

(c) Grant of Awards

The participants may be granted Awards in the indirect level incentive shareholding platforms at a consideration specified under the grant agreements, and each becomes a limited partner of the indirect level incentive shareholding platforms upon grant of the Awards.

(d) Administration of the equity incentive schemes

The equity incentives schemes are subject to the approval of the shareholders and the Board. Mr. Zhou Jian is responsible for matters pertaining to the implementation of the equity incentive schemes, including but not limited to determining the identity of grantees and the number and considerations of grants.

(e) Lock-up period and return of granted Awards

Subject to requirements which may vary among each equity incentive schemes, the granted Awards may be bound by a lock-up period, and the participants may also be requested to return the granted Awards upon the occurrence of certain events.

(f) Details of Awards

As at June 30, 2026, (i) 41 indirect level incentive shareholding platforms have been established for the purpose of the equity incentive schemes; (ii) there is an aggregate number of 751 participants holding partnership interest in the indirect level incentive shareholding platforms; and (iii) none of our Directors held more than one-third of the partnership interest in any of the indirect level incentive shareholding platforms. For details of the Awards during the Reporting Period, see note 7 to the Financial Statements.

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H SHARE INCENTIVE SCHEME

We have adopted the H Share Incentive Scheme, including:

(i) the adoption of the 2024 H Share Incentive Scheme (the "**2024 H Share Incentive Scheme**") was approved by the Shareholders at the 2024 fifth extraordinary general meeting of the Company held on September 12, 2024 (the "**2024 H Share Incentive Scheme Adoption Date**"); and

(ii) the adoption of the 2026 H Share Incentive Scheme was approved by the Shareholders at the 2026 third extraordinary general meeting of the Company held on August 26, 2026 (the "**2026 H Share Incentive Scheme Adoption Date**"). For further details of the 2026 H Share Incentive Scheme, please refer to the circular and announcement published by the Company on August 10, 2026.

2024 H Share Incentive Scheme

Purpose

The purpose of the 2024 H Share Incentive Scheme is to:

(i) facilitate the Company in achieving long-term sustainable development and performance targets;

(ii) closely align the interests of the incentive recipients with those of the Shareholders, investors and the Company, enhance the Company's cohesion and maximise the value of the Company; and

(iii) improve the Company's incentive mechanism, and attract, motivate and retain Directors, Supervisors, senior management and employees who have made or will make significant contributions to the sustainable operation, development and long-term growth of the Company.

Eligible Participants

Persons who are eligible to participate in the 2024 H Share Incentive Scheme include any Director (excluding the independent non-executive Directors), Supervisor, senior management or employee of the Group (including any person to whom any award of H Shares granted pursuant to the 2024 H Share Incentive Scheme (the "**2024 H Share Incentive Scheme Award Shares**") are granted as an inducement to enter into a contract of employment) (the "**2024 H Share Incentive Scheme Eligible Participants**").

A person shall not be considered as a 2024 H Share Incentive Scheme Eligible Participant if, as at the grant date of the 2024 H Share Incentive Scheme:

(i) he/she has been publicly censured or declared as an ineligible candidate by securities regulatory institutions in the last 12 months;

(ii) he/she has been imposed with administrative penalties by securities regulatory institutions in the last 12 months due to material non-compliance of laws or regulations;

(iii) he/she is prohibited from participating in the 2024 H Share Incentive Scheme as required by laws and regulations;

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(iv) he/she has committed other material violation of relevant requirements of the Group or caused material damage to the interests of the Group as determined by the Board; or

(v) there exists any other circumstances prescribed by the Board for the purpose of safeguarding the interests of the Group and ensuring the Group's compliance with applicable laws and regulations relating to the operation of the Scheme.

The Board and/or authorised person(s) may select any 2024 H Share Incentive Scheme Eligible Participant as a grantee of the 2024 H Share Incentive Scheme in accordance with the rules of the 2024 H Share Incentive Scheme.

Scheme Limit

In any event, the maximum number of Awarded Shares of the H Share Incentive Scheme which may be granted under the 2024 H Share Incentive Scheme shall not exceed 10% of the Company's total Shares in issue as at the Adoption Date of the 2024 H Share Incentive Scheme (the "**2024 H Share Incentive Scheme Limit**"), which is 41,814,282 H Shares, accounting for 8.31% of the total number of issued shares of the Company (excluding any treasury shares) as of the date of this interim report. The Board and/or the Delegatee(s) shall not make any further grant of Awarded Shares which will result in the 2024 H Share Incentive Scheme Limit being exceeded without Shareholders' approval.

Maximum Entitlement to Each Eligible Participants

According to the 2024 H Share Incentive Scheme, there are no restrictions on the maximum entitlement of Share Awards to be granted to an Eligible Participant (save for any requirements under the Listing Rules).

Where any grant of options or awards to an Eligible Participant except for a Director (other than an independent non-executive Director) or chief executive of the Company (or any of their associates), would result in the Shares issued and to be issued in respect of all options and share awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the H Share Incentive Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue (the 1% individual limit), such grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting.

Where any grant of awards (excluding grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company (or any of their associates) would result in the number of Shares issued and to be issued in respect of all awards involving issue of new Shares already granted under the H Share Incentive Scheme and any other share scheme(s) of the Company (excluding any awards lapsed in accordance with the terms of the H Share Incentive Scheme or any other share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue as at the date of grant, such further grant of awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

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Where any grant of options or awards to a substantial shareholder of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all options and awards involving issue of new Shares already granted under the H Share Incentive Scheme and any other share scheme(s) of the Company (excluding any awards lapsed in accordance with the terms of the H Share Incentive Scheme or any other share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue as at the date of grant, such further grant of awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

Duration

Subject to any early termination as may be determined by the Board according to the rules governing the operation of the 2024 H Share Incentive Scheme as well as the implementation procedure (as amended from time to time) (the "**2024 H Share Incentive Scheme Rules**"), the 2024 H Share Incentive Scheme shall be valid and effective for a term of ten years commencing on the Adoption Date, after which no additional Awards shall be granted, provided that the H Share Incentive Scheme will remain in full force in all other respects.

As at the date of this report, the remaining life of the 2024 H Share Incentive Scheme is approximately eight years.

Vesting of Awarded Shares

Subject to all applicable laws, rules or regulations, the Board and/or the delegatee(s) may determine the vesting criteria and conditions and the vesting periods for the 2024 H Share Incentive Scheme Awarded Shares to be granted to each grantee pursuant to the 2024 H Share Incentive Scheme. Save for the circumstances described below, the vesting period in respect of any 2024 H Share Incentive Scheme Awarded Shares granted shall be no less than 12 months from (and including) the date on which the Awarded Shares are granted to a Grantee (the "**2024 H Share Incentive Scheme Grant Date**").

The 2024 H Share Incentive Scheme Awarded Shares granted may be subject to a shorter vesting period in the following circumstances at the sole discretion of the Remuneration Committee:

(i) grants of "make-whole" Awards to new joiners to replace the share awards or options forfeited when leaving their previous employers;

(ii) grants that are made in batches during a year for administrative or compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but ended up having to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Award would have been granted;

(iii) grants with a mixed or accelerated vesting schedule such as where the 2024 H Share Incentive Scheme Awarded Shares may vest evenly over a period of 12 months, or where the 2024 H Share Incentive Scheme Awarded Shares may vest by several batches with the first batch vesting within 12 months of the Grant Date and the last batch vesting 12 months after the 2024 H Share Incentive Scheme Grant Date;

CORPORATE GOVERNANCE AND OTHER MATTERS

(iv) grants with performance-based vesting conditions provided in the Scheme or as specified in the award letter in lieu of time-based vesting criteria; and

(v) grants with a total vesting and holding period of more than 12 months.

Movements of Awards

As at June 30, 2026, no Share had been granted or awarded to the relevant Eligible Participants under the 2024 H Share Incentive Scheme.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds from the Global Offering and the partial exercise of the over-allotment option amounted to HK$931.21 million (the "**Proceeds from the Initial Public Offering of H Shares**"). As of June 30, 2026, the Group had fully utilized the Proceeds from the Initial Public Offering of H Shares.

USE OF PROCEEDS FROM PLACINGS OF NEW H SHARES UNDER THE GENERAL MANDATE

The Company has conducted several rounds of placing under the General Mandate, namely (i) the placing of 10,155,099 new H Shares at the placing price of HK$90.00 per H Share under the placing agreement entered into between the Company and the Placing Agents dated February 20, 2025, which was completed on February 27, 2025 (the "**February 2025 Placing**"), the closing price of the Shares on February 20, 2025 (being the date of the placing agreement in respect of the February 2025 Placing) was HK$94.70; (ii) the placing of 30,155,450 new H Shares at the placing price of HK$82.00 per H Share under the placing agreement entered into between the Company and the Placing Agents dated July 22, 2025 (the "**July 2025 Placing**"), which was completed on July 28, 2025, and the closing price of the Shares was HK$85.10 on July 22, 2025 (being the date of the agreement of the July 2025 Placing); and (iii) the placing of 31,468,000 new H Shares at the placing price of HK$98.80 per H Share under the placing agreement entered into between the Company and the Placing Agents dated November 25, 2025, which was completed on December 2, 2025 (the "**November 2025 Placing**") the closing price of the Shares was HK$110.60 on November 25, 2025 (being the date of the agreement of the November 2025 Placing), collectively with the February 2025 Placing and the July 2025 Placing, the "Placings". The Placings has been successfully placed to no less than six placees. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, (i) each of the placees and their respective ultimate beneficial owners are third parties independent of, and not connected with, the Company and the connected persons of the Company; and (ii) none of the placees has become a substantial shareholder of the Company immediately after the completion of the Placings. For further details, please refer to the announcements of the Company dated February 20, 2025, February 24, 2025, February 27, 2025, July 22, 2025, July 28, 2025, November 25, 2025 and December 2, 2025.

CORPORATE GOVERNANCE AND OTHER MATTERS

Reasons for and benefits of the Placings

The Directors consider that the Placings represent opportunities to replenish capital for continuous optimization and iteration and future large-scale commercialization in the global market of the products of the Group (mainly embodied smart humanoid robots) while broadening its Shareholders and capital base.

The Directors are of the view that the Placings would strengthen the financial position of the Group and provide more efficient funding support to the Group.

The Directors consider that the November 2025 Placing aims to integrate the upstream and downstream supply chains, consolidate and strengthen the Group's leading position in the humanoid robot industry chain, thereby strengthening the Group's strategic layout in industrial manufacturing application scenarios, seizing the historic opportunity of the implementation of humanoid robots in industrial manufacturing application scenarios, and enhancing the Company's core competitiveness, technological strength, sales revenue and profitability.

The Directors consider that the terms of each of the placement agreements under the respective Placings (including the respective placing prices) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The net proceeds from the February 2025 Placing, the July 2025 Placing and the November 2025 Placing amounted to HK$876.32 million, HK$2,410.26 million, and HK$3,055.71 million, respectively. The planned use of the proceeds from the Placings is consistent with the plans previously disclosed by the Company. The utilization of the proceeds from the February 2025 Placing, the July 2025 Placing and the November 2025 Placing up to June 30, 2026 were as below:

Use of proceeds	Net proceeds to be applied (HK$' million)	Unutilized net proceeds as of December 31, 2025 (HK$' million)	Utilized net proceeds during the Reporting Period (HK$' million)	Unutilized net proceeds as of June 30, 2026 (HK$' million)	Expected timeline of use of unused amount
February 2025 Placing					
Business operation and development	586.38	27.70	27.70	–	N/A
– Working capital and general corporate purposes	466.61	23.16	23.16	–	N/A
(a) Salaries, social insurance, housing fund, and other human resource expenses (Note 2)	103.26	5.30	5.30	–	N/A
(b) Payment to suppliers and service providers (Note 3)	335.78	16.18	16.18	–	N/A
(c) Other operating expenses	27.57	1.68	1.68	–	N/A
– Project construction and renovation	92.62	4.54	4.54	–	N/A
– Offshore and onshore investments (Note 1)	27.15	–	–	–	N/A
Repayment of amounts due under the credit facilities	289.94	14.50	14.50	–	N/A
	876.32	**42.20**	**42.20**	**–**	**N/A**

CORPORATE GOVERNANCE AND OTHER MATTERS

Use of proceeds	Net proceeds to be applied (HK$' million)	Unutilized net proceeds as of December 31, 2025 (HK$' million)	Utilized net proceeds during the Reporting Period (HK$' million)	Unutilized net proceeds as of June 30, 2026 (HK$' million)	Expected timeline of use of unused amount
July 2025 Placing					
Business operation and development	1,933.91	1,092.29	1,045.73	46.56	By September 30, 2026
– Working capital and general corporate purposes	1,765.82	971.36	924.80	46.56	By September 30, 2026
(a) Salaries, social insurance, housing fund, and other human resource expenses (Note 2)	573.66	368.44	323.85	44.59	By September 30, 2026
(b) Payment to suppliers and service providers (Note 3)	1,085.58	554.60	552.63	1.97	By September 30, 2026
(c) Other operating expenses	106.58	48.32	48.32	–	N/A
– Project construction and renovation	146.35	120.93	120.93	–	N/A
– Offshore and onshore investments (Note 1)	21.74	–	–	–	N/A
Repayment of amounts due under the credit facilities	476.35	27.21	27.21	–	N/A
Total	**2,410.26**	**1,119.50**	**1,072.94**	**46.56**	**By September 30, 2026**

Use of proceeds	Net proceeds to be applied (HK$' million)	Unutilized net proceeds as of December 31, 2025 (HK$' million)	Utilized net proceeds during the Reporting Period (HK$' million)	Unutilized net proceeds as of June 30, 2026 (HK$' million)	Expected timeline of use of unused amount
November 2025 Placing					
Investment in or acquisition of potential upstream or downstream targets in the Group's business value chain, or integration with related industries or establish joint operating entities	2,291.78	2,179.75	1,756.50	423.25	By the end of 2027
Business operation and development	458.36	348.47	218.63	129.84	By the end of 2027
– Working capital and general corporate purposes	319.47	319.47	200.45	119.02	By the end of 2027
(a) Salaries, social insurance, housing fund, and other human resource expenses (Note 2)	64.00	64.00	0	64.00	By the end of 2027
(b) Payment to suppliers and service providers (Note 3)	250.47	250.47	195.45	55.02	By the end of 2027
(c) Other operating expenses	5.00	5.00	5.00	–	N/A
– Project construction and renovation	29.00	29.00	18.18	10.82	By the end of 2027
– Offshore and onshore investments (Note 1)	109.89	–	–	–	N/A
Repayment of amounts due under the credit facilities	305.57	305.57	294.08	11.49	By the end of 2027
Total	**3,055.71**	**2,833.79**	**2,269.21**	**564.58**	**By the end of 2027**

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Notes:

(1) The offshore and onshore investments mainly comprise the fees to be incurred for identification of potential target companies and relevant investment amount.

(2) "Salaries, social insurance, housing fund, and other human resource expenses" mainly include the relevant expenses for R&D personnel, selling and marketing personnel, management personnel and production personnel. The exact allocation will be determined based on the actual situation.

(3) "Payment to suppliers and service providers" mainly include the relevant payment for procurement of materials for core business, procurement of services for core business, traveling and administrative services, storage and logistics services, marketing and business development services, and human resources related services. The exact allocation will be determined based on the actual situation.

EVENTS AFTER THE REPORTING PERIOD

References are made to the announcements of the Company dated March 30, 2025, April 22, 2025, July 3, 10 and 16, 2026 in relation to the implementation of the conversion of 5,453,931 Domestic Shares into H Shares and the listing and circulation of such converted H Shares (the "**Converted H Shares**") on the Main Board of the Stock Exchange (the "**H Share Full Circulation**"). The Company has applied to the Stock Exchange for the approval of the listing of and the permission to deal in the Converted H Shares and such approval was granted by the Stock Exchange on July 9, 2026. The H Share Full Circulation was completed on July 16, 2026 and the listing of the Converted H Shares on the Stock Exchange commenced at 9:00 a.m. on July 17, 2026.

As disclosed in the circular of the Company dated August 10, 2026 (the "**Circular**"), the announcement of the Company dated August 10, 2026 and August 26, 2026 (the "**Announcements**"), at the third extraordinary general meeting of 2026 held on August 26, 2026, the Company approved certain adjustments to the proposed use of the net proceeds from the November 2025 Placing. For details of such adjustments, please refer to the Circular and Announcements.

Save as disclosed above, there were no events causing significant impact on our Group subsequent to the Reporting Period and up to the date of this report.

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

During the six months ended June 30, 2026, there was no purchase, sale and redemption by our Company or any of its subsidiaries of any listed securities of our Company (including any sale of treasury shares (as defined under the Listing Rules)). As of June 30, 2026, the Company did not hold any treasury shares (as defined under the Listing Rules).

CORPORATE GOVERNANCE AND OTHER MATTERS

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

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

ISSUED SHARE CAPITAL

As at June 30, 2026, the total share capital of the Company was RMB503,401,373, divided into 503,401,373 shares with a par value of RMB1.00 each. Details of the share capital of the Company during the Reporting Period are set out in Note 4(32) to the financial statements.

INTERIM DIVIDEND

The Company will not pay any interim dividend for the six months ended June 30, 2026. (For the six months ended June 30, 2025: Nil)

REVIEW BY AUDIT COMMITTEE

The members of the audit committee of our Board (the "**Audit Committee**") consist of Dr. Dong Xiuqin (Chairperson of the Committee), Dr. He Jia and Dr. Yao Xin. The unaudited consolidated financial information, interim results and this interim report for the six months ended June 30, 2026, which were prepared under the China Accounting Standards for Business Enterprises, have been reviewed and confirmed by the Audit Committee.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the six months ended June 30, 2026, our Board had complied with (1) the requirement that the board of directors of a listed issuer must include at least three independent non-executive directors under Rule 3.10(1) of the Listing Rules; (2) the requirement that at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) of the Listing Rules; (3) the requirement that the number of independent non-executive Directors must represent at least one-third of the board of directors under Rule 3.10A of the Listing Rules; and (4) the requirements in respect of the composition of the audit committee of a listed issuer under Rule 3.21 of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER MATTERS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at June 30, 2026, the interests and short positions of the Directors or the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were otherwise 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/she is keen to taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code are set out below:

(i) Interest in the Company

Name of Director	Class of Shares	Nature of Interest	Number of Shares held/interested[1]	Approximate percentage in the relevant class of Shares of the Company[2]	Approximate percentage in the Company[2]
Mr. Zhou Jian	Domestic Shares	Beneficial owner	33,186,040 (L)	46.96%	6.59%
	Domestic Shares	Interest in controlled corporation[3]	1,538,600 (L)	2.18%	0.31%
	H Shares	Beneficial owner	70,574,350 (L)	16.31%	14.02%
	H Shares	Interest in controlled corporation[3]	13,000,000 (L)	3.00%	2.58%
Mr. Xia Zuoquan	H Shares	Beneficial owner	19,903,300 (L)	4.60%	3.95%
Dr. Xiong Youjun	Domestic Shares	Beneficial owner	2,630,743 (L)	3.72%	0.52%
	H Shares	Beneficial owner	5,681,300 (L)	1.31%	1.13%
Mr. Liu Ming[4]	H Shares	Beneficial owner	1,500 (L)	0.00%	0.00%

Notes:

(1) (L) denotes long position.

(2) The calculation is based on a total of 503,401,373 Shares in issue as at June 30, 2026, which comprised 70,665,977 Domestic Shares and 432,735,396 H Shares.

(3) As at June 30, 2026, Shenzhen Sanciyuan Enterprise Management Consulting Limited Partnership* (深圳三次元企業管理諮詢合夥企業(有限合夥)) ("**Shenzhen Sanciyuan**") directly held 1,538,600 Domestic Shares and 13,000,000 H Shares, and Mr. Zhou Jian held 73.96% of the partnership interests in Shenzhen Sanciyuan. By virtue of the SFO, Mr. Zhou Jian is deemed to be interested in all the Shares held by Shenzhen Sanciyuan.

(4) Ms. Gu Ming and Mr. Liu Ming are spouses, and therefore Ms. Gu Ming is deemed to be interested in all of Mr. Liu Ming's interest in our Company by virtue of the SFO.

CORPORATE GOVERNANCE AND OTHER MATTERS

(ii) Interest in associated corporations of the Company

Name of Director	Name of associated corporation	Nature of Interest	Approximate shareholding percentage
Mr. Xia Zuoquan (夏佐全)	Wuxi Uqi Intelligent Technology Co., Ltd.* (無錫優奇智能科技有限公司) (“**Wuxi Uqi**”)[1]	Interest in controlled corporation[2]	11.51%

Notes:

(1) Wuxi Uqi is regarded as our subsidiary under the Listing Rules. As at June 30, 2026, we held approximately 41.49% shareholding interests in Wuxi Uqi. In addition, pursuant to the shareholders’ agreement entered into between the shareholders of Wuxi Uqi in December 2022, three shareholders of Wuxi Uqi holding approximately 16.38%, 6.53% and 5.34% interests in Wuxi Uqi respectively agreed that for the period of six years since the date they started holding equity interest in Wuxi Uqi, being December 31, 2021, they would act consistently with our Company in respect of matters of the shareholders meeting. As a result of the aforementioned shareholders’ undertakings, we have continued to hold more than 50% voting rights in Wuxi Uqi although our shareholding in Wuxi Uqi is below 50%. According to the articles of association of Wuxi Uqi, approval of Wuxi Uqi’s shareholders resolutions generally requires more than 50% of shareholders’ votes. As such, we have continued to maintain control of Wuxi Uqi and it has continued to be regarded as our subsidiary since its establishment up to June 30, 2026.

(2) As at June 30, 2026, Suzhou Zhengxuan Qianzhan Zhihe Venture Capital (Limited Partnership)* (蘇州市正軒前瞻志合創業投資合夥企業(有限合夥)) (“**Suzhou Zhengxuan**”) and Guangzhou Zhengxuan Qianzhan Ruiyuan Venture Capital Limited Partnership* (廣州市正軒前瞻睿遠創業投資合夥企業(有限合夥)) (formerly known as Shenzhen Zhengxuan Qianzhan Ruiyuan Venture Capital Limited Partnership* (深圳市正軒前瞻睿遠創業投資合夥企業(有限合夥))) (“**Guangzhou Zhengxuan**”) directly held approximately 6.33% and 5.18% shareholding interest in Wuxi Uqi respectively. The general partners of Suzhou Zhengxuan and Guangzhou Zhengxuan are Shenzhen Zhengxuan Qianzhan Zhihe Investment Company Limited* (深圳市正軒前瞻志合投資有限公司) and Shenzhen Zhengxuan Lihang Venture Capital Limited Partnership* (深圳市正軒勵行創業投資合夥企業(有限合夥)) respectively, which are both ultimately controlled by Mr. Xia Zuoquan.

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

CORPORATE GOVERNANCE AND OTHER MATTERS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at June 30, 2026, so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons/entities had an interest or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Substantial Shareholder	Class of Shares	Nature of Interest	Number of Shares[1]	Approximate percentage in the relevant class of Shares of the Company[2]	Approximate percentage in Shares in issue of the Company[2]
Mr. Zhou Jian	Domestic Shares	Beneficial owner	33,186,040 (L)	46.96%	6.59%
	Domestic Shares	Interest in controlled corporation[3]	1,538,600 (L)	2.18%	0.31%
	H Shares	Beneficial owner	70,574,350 (L)	16.31%	14.02%
	H Shares	Interest in controlled corporation[3]	13,000,000 (L)	3.00%	2.58%
Ms. Wang Lin[4]	Domestic Shares	Beneficial owner	2,621,880 (L)	3.71%	0.52%
	Domestic Shares	Interest in controlled corporation[5]	3,705,280 (L)	5.24%	0.74%
	H Shares	Beneficial owner	5,636,450 (L)	1.30%	1.12%
	H Shares	Interest in controlled corporation[5]	15,691,200 (L)	3.63%	3.12%
Ms. Jiang Shuyuan (蔣舒媛)	Domestic Shares	Interest in controlled corporation[6]	3,705,280 (L)	5.24%	0.74%
	H Shares	Interest in controlled corporation[6]	15,691,200 (L)	3.63%	3.12%
Shenzhen Evolution	Domestic Shares	Beneficial owner	3,705,280 (L)	5.24%	0.74%
	H Shares	Beneficial owner	15,691,200 (L)	3.63%	3.12%
Liuzhou State-owned Assets Supervision and Administration Commission ("**Liuzhou SASAC**")	Domestic Shares	Interest in controlled corporations[7]	15,212,982 (L)	21.53%	3.02%
Liuzhou Industrial Guidance Fund Investment Management Company Limited (柳州市產業引導基金投資管理有限公司) ("**Liuzhou Industrial Fund**")	Domestic Shares	Beneficial owner[7]	12,677,485 (L)	17.94%	2.52%
Mr. He Huojian (賀火箭)	Domestic Shares	Interest in controlled corporations[8]	5,689,081 (L)	8.05%	1.13%
Haikun Shanghai	Domestic Shares	Beneficial owner[8]	5,689,081 (L)	8.05%	1.13%

CORPORATE GOVERNANCE AND OTHER MATTERS

Notes:

(1) (L) denotes long position.

(2) The calculation is based on a total of 503,401,373 Shares in issue as at June 30, 2026, which consists of 70,665,977 Domestic Shares and 432,735,396 H Shares.

(3) As at June 30, 2026, Shenzhen Sanciyuan Enterprise Management Consulting Limited Partnership* (深圳三次元企業管理諮詢合夥企業(有限合夥)) ("**Shenzhen Sanciyuan**") directly held 1,538,600 Domestic Shares and 13,000,000 H Shares of the Company, and Mr. Zhou Jian held 73.96% of the partnership interests in Shenzhen Sanciyuan. By virtue of the SFO, Mr. Zhou Jian is deemed to be interested in all the Shares held by Shenzhen Sanciyuan.

(4) Mr. Hou Zongfang and Ms. Wang Lin are spouses, and therefore Mr. Hou Zongfang is deemed to be interested in all of Ms. Wang Lin's interest in our Company by virtue of the SFO.

(5) As of June 30, 2026, Shenzhen Evolution Investment Limited Partnership* (深圳市進化論投資合夥企業(有限合夥)) ("**Shenzhen Evolution**") directly held 3,705,280 Domestic Shares and 15,691,200 H Shares. 41 limited partnerships under the Equity Incentive Schemes were the indirect level incentive shareholding platforms which act as the limited partners of Shenzhen Evolution. Ms. Wang Lin was the general partner of all of the indirect level incentive shareholding platforms. By virtue of the SFO, Ms. Wang Lin is deemed to be interested in all of the Shares held by Shenzhen Evolution.

(6) Ms. Jiang Shuyuan is the general partner of Shenzhen Evolution. By virtue of the SFO, Ms. Jiang Shuyuan is deemed to be interested in all of the Shares held by Shenzhen Evolution in our Company.

(7) As of June 30, 2026, Liuzhou Industrial Fund and Liuzhou Government Investment Guidance Fund Management Company Limited (柳州市政府投資引導基金管理有限公司) ("**Liuzhou Government Investment Fund**") directly held 12,677,485 and 2,535,497 Domestic Shares, and each of them was owned as to 95.12% by Liuzhou SASAC. Therefore, for the purpose of the SFO, Liuzhou SASAC is deemed to be interested in the Shares held by Liuzhou Industrial Fund and Liuzhou Government Investment Fund.

(8) As at June 30, 2026, Haikun Business Consulting (Shanghai) Co., Ltd.* (海鯤商務諮詢(上海)有限公司) ("**Haikun Shanghai**") directly held 5,689,081 Domestic Shares of the Company, which is in turn wholly-owned by Mr. He Huojian. By virtue of the SFO, Mr. He Huojian is deemed to be interested in all the Shares held by Haikun Shanghai.

Save as disclosed above, as at June 30, 2026, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CONSOLIDATED AND COMPANY BALANCE SHEET

As at June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

ASSETS	Notes	June 30, 2026 Consolidated (Unaudited)	December 31, 2025 Consolidated (Audited)	June 30, 2026 Company (Unaudited)	December 31, 2025 Company (Audited)
Current assets					
Cash at bank and on hand	4(1)	**2,381,213**	4,918,605	**1,604,044**	4,447,427
Financial assets held for trading	4(2)	**270,055**	50,014	**130,055**	50,014
Notes receivables	4(3)	**10,464**	39,764	**10,252**	13,986
Accounts receivables	4(4), 14(1)	**1,679,607**	1,302,224	**3,118,164**	2,232,059
Financing receivables		**21,443**	–	**2,996**	–
Prepayments	4(5), 14(2)	**174,627**	125,226	**281,017**	181,496
Other receivables	4(6), 14(3)	**32,356**	128,346	**1,314,654**	1,195,521
Inventory	4(7)	**985,473**	576,526	**565,710**	282,547
Other current assets	4(8)	**133,090**	136,253	**673**	3,021
Total current assets		**5,688,328**	7,276,958	**7,027,565**	8,406,071
Non-current assets					
Long-term receivables	4(9), 14(4)	**247,183**	196,963	**144,030**	174,262
Long-term equity investments	4(10), 14(5)	**119,264**	149,211	**4,850,709**	3,204,286
Other equity investments	4(11)	**78,533**	66,987	**78,533**	66,987
Right-of-use assets	4(12)	**40,907**	41,247	**17,674**	19,854
Fixed assets	4(13)	**843,298**	241,743	**69,493**	68,917
Construction in progress	4(14)	**1,843,157**	1,742,139	**–**	–
Intangible assets	4(15)	**717,904**	425,319	**10,290**	6,763
Goodwill	4(16)	**1,123,510**	–	**–**	–
Long-term prepaid expenses	4(17)	**23,950**	24,251	**7,166**	10,218
Deferred tax assets	4(31)	**9,120**	–	**–**	–
Other non-current financial assets		**3,042**	3,042	**–**	–
Other non-current assets	4(18)	**104,560**	72,948	**41,999**	35,430
Total non-current assets		**5,154,428**	2,963,850	**5,219,894**	3,586,717
Total assets		**10,842,756**	10,240,808	**12,247,459**	11,992,788

CONSOLIDATED AND COMPANY BALANCE SHEET

As at June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

Liabilities and Shareholders' equity	Notes	June 30, 2026 Consolidated (Unaudited)	December 31, 2025 Consolidated (Audited)	June 30, 2026 Company (Unaudited)	December 31, 2025 Company (Audited)
Current liabilities					
Short-term borrowings	4(20)	**383,256**	622,858	**326,220**	430,553
Notes payable		**10,823**	11,998	**–**	100,000
Accounts payables	4(21)	**883,795**	701,444	**2,479,667**	1,747,926
Contract liabilities	4(22)	**133,345**	91,119	**258,314**	279,892
Employee benefits payable	4(23)	**92,452**	139,449	**59,933**	103,713
Taxes payable	4(24)	**128,875**	145,837	**1,989**	109,713
Other payables	4(25)	**490,633**	537,544	**1,875,601**	1,947,059
Non-current liabilities to be settled within one year	4(26)	**149,766**	84,532	**56,190**	8,146
Other current liabilities	4(27)	**52,957**	57,245	**32,545**	18,350
Total current liabilities		**2,325,902**	2,392,026	**5,090,459**	4,745,352
Non-current liabilities					
Long-term borrowings	4(28)	**486,655**	439,400	**77,800**	48,500
Lease liabilities	4(29)	**23,877**	25,523	**11,890**	13,684
Deferred income	4(30)	**63,437**	58,255	**19,353**	17,525
Deferred tax liabilities		**84,418**	–	**–**	–
Total non-current liabilities		**658,387**	523,178	**109,043**	79,709
Total liabilities		**2,984,289**	2,915,204	**5,199,502**	4,825,061

CONSOLIDATED AND COMPANY BALANCE SHEET

As at June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

Liabilities and Shareholders' equity	Notes	June 30, 2026 Consolidated (Unaudited)	December 31, 2025 Consolidated (Audited)	June 30, 2026 Company (Unaudited)	December 31, 2025 Company (Audited)
Shareholders' equity					
Share capital	4(32)	**503,401**	503,401	**503,401**	503,401
Capital surplus	4(33), 14(6)	**14,345,287**	14,284,489	**13,960,897**	13,960,897
Treasury shares	4 (34)	**(57,716)**	(57,716)	**(57,716)**	(57,716)
Other comprehensive loss	4(35)	**(1,210)**	(6,200)	**(9,531)**	(8,363)
Accumulated losses		**(7,823,691)**	(7,505,988)	**(7,349,094)**	(7,230,492)
Total equity attributable to the shareholders of the Company		**6,966,071**	7,217,986		
Minority interests		**892,396**	107,618		
Total shareholders' equity		**7,858,467**	7,325,604	**7,047,957**	7,167,727
Total liabilities and Shareholders' equity		**10,842,756**	10,240,808	**12,247,459**	11,992,788

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal representative:	*Principal in charge of accounting:*	*Head of the accounting department:*
Zhou Jian	**Zhang Ju**	**Chen Daocheng**

CONSOLIDATED AND COMPANY INCOME STATEMENT

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

Item	Notes	For the six months ended June 30, 2026 Consolidated (Unaudited)	For the six months ended June 30, 2025 Consolidated (Unaudited)	For the six months ended June 30, 2026 Company (Unaudited)	For the six months ended June 30, 2025 Company (Unaudited)
I. Revenue	4(36), 14(7)	**1,269,130**	621,460	**1,424,758**	476,487
Less: Cost of sales	4(36), 4(41), 14(7)	**(702,252)**	(404,148)	**(941,560)**	(436,700)
Taxes and surcharges	4(37)	**(12,696)**	(3,499)	**(3,840)**	(609)
Selling expenses	4(38), 4(41)	**(238,034)**	(223,534)	**(119,039)**	(108,278)
Administrative expenses	4(39), 4(41)	**(149,346)**	(185,102)	**(94,716)**	(129,417)
Research and Development Expenses	4(40), 4(41)	**(303,083)**	(218,281)	**(198,282)**	(147,060)
Financial expenses	4 (42)	**(23,282)**	10,229	**(15,417)**	5,564
Including: Interest expenses		**(1,191)**	(2,130)	**(8,501)**	(9,173)
Interest income		**52,596**	7,187	**(48,142)**	5,496
Add: Other income	4 (43)	**8,288**	4,585	**3,180**	3,502
Investment (loss)/income	4 (44), 14 (8)	**(32,609)**	(39,102)	**5,379**	(67,721)
Including: Share of loss of an associate and a joint venture		**(34,492)**	(37,374)	**(343)**	–
Gains or losses from fair value changes		**55**	–	**55**	–
Credit Impairment Losses	4 (45)	**(91,070)**	(1,303)	**110,013**	2,371
Asset impairment losses	4 (46)	**(3,771)**	(470)	**(69,142)**	(151,853)
Gains on disposals of assets		**(423)**	98	**–**	2,058
II. Operating loss		**(279,093)**	(439,067)	**(118,637)**	(551,656)
Add: Non-operating income		**895**	4,945	**59**	84,438
Less: Non-operating expenses		**(1,589)**	(1,010)	**(24)**	(646)
III. Total loss		**(279,787)**	(435,132)	**(118,602)**	(467,864)
Less: Income tax expenses	4 (47)	**(59,040)**	(4,857)	**–**	–

CONSOLIDATED AND COMPANY INCOME STATEMENT

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

Item	Notes	**For the six months ended June 30, 2026 Consolidated (Unaudited)**	For the six months ended June 30, 2025 Consolidated (Unaudited)	**For the six months ended June 30, 2026 Company (Unaudited)**	For the six months ended June 30, 2025 Company (Unaudited)
IV. Net loss		**(338,827)**	(439,989)	**(118,602)**	(467,864)
Classified by continuity of operations					
Net loss from continuing operations		**(338,827)**	(439,989)	**(118,602)**	(467,864)
Classified by ownership of the equity					
Net loss attributable to shareholders of the Company		**(311,478)**	(413,648)		
Profit or loss attributable to minority interests		**(27,349)**	(26,341)		
V. Other comprehensive loss, net of tax		**4,990**	(10,576)	**(1,168)**	–
Other comprehensive income that will not be subsequently reclassified to profit or loss					
Change in fair value of investments in other equity instruments	4(35)	**(1,168)**		**(1,168)**	
Other comprehensive income that will be reclassified to profit or loss		**–**	(2)	**–**	–
Translation difference of foreign currency financial statements	4(35)	**6,158**	(10,574)	**–**	–

CONSOLIDATED AND COMPANY INCOME STATEMENT

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

Item	Notes	**For the six months ended June 30, 2026 Consolidated (Unaudited)**	For the six months ended June 30, 2025 Consolidated (Unaudited)	**For the six months ended June 30, 2026 Company (Unaudited)**	For the six months ended June 30, 2025 Company (Unaudited)
VI. Total comprehensive loss		**(333,837)**	(450,565)	**(119,770)**	(467,864)
Total comprehensive loss attributable to shareholders of the Company		**(306,488)**	(424,224)		
Total comprehensive loss attributable to minority interests		**(27,349)**	(26,341)		
VII. Losses per share					
Basic and diluted losses per share (RMB)	4 (48)	**0.62**	0.94		

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal representative:	*Principal in charge of accounting:*	*Head of the accounting department:*
Zhou Jian	**Zhang Ju**	**Chen Daocheng**

CONSOLIDATED AND COMPANY CASH FLOW STATEMENT

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

	Notes	For the six months ended June 30, 2026 Consolidated (Unaudited)	For the six months ended June 30, 2025 Consolidated (Unaudited)	For the six months ended June 30, 2026 Company (Unaudited)	For the six months ended June 30, 2025 Company (Unaudited)
I. Cash flows used in operating activities					
Cash received from sales of goods or rendering of services		1,107,673	632,173	535,258	410,604
Refund of taxes and surcharges		17,786	8,059	–	–
Cash received relating to other operating activities	4 (50)	65,210	65,505	53,820	103,036
Sub-total of cash inflows from operating activities		1,190,669	705,737	589,078	513,640
Cash paid for purchase of goods and receipt of labor services		(1,091,790)	(525,181)	(768,000)	(440,845)
Cash paid to and on behalf of employees		(542,610)	(394,912)	(335,302)	(256,944)
Payments of various taxes		(54,136)	(37,149)	(3,840)	(609)
Cash paid relating to other operating activities	4 (50)	(251,623)	(119,309)	(410,570)	(52,832)
Sub-total of cash outflows from operating activities		(1,940,159)	(1,076,551)	(1,517,712)	(751,230)
Net cash flows used in operating activities	4 (50)	(749,490)	(370,814)	(928,634)	(237,590)
II. Cash flows used in investing activities					
Cash received from investments recovery		844,826	15,000	680,827	15,000
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		577	1,966	29	1,886
Cash received from returns on investments		6,597	2,398	1,037	4,208
Sub-total of cash inflows from investing activities		852,000	19,364	681,893	21,094

CONSOLIDATED AND COMPANY CASH FLOW STATEMENT

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

	Notes	For the six months ended June 30, 2026 Consolidated (Unaudited)	For the six months ended June 30, 2025 Consolidated (Unaudited)	For the six months ended June 30, 2026 Company (Unaudited)	For the six months ended June 30, 2025 Company (Unaudited)
Cash paid to acquire fixed assets, intangible assets and other long-term assets		**(261,283)**	(179,082)	**(29,884)**	(42,686)
Cash paid to acquire investments		**(896,713)**	(83,000)	**(682,266)**	(44,098)
Net cash paid for acquisition of a subsidiary and other business units		**(1,508,969)**	(15,436)	**(1,688,874)**	(166,649)
Net cash outflows from disposal of a subsidiary		**–**	–	**–**	–
Sub-total of cash outflows from investing activities		**(2,666,965)**	(277,518)	**(2,401,024)**	(253,433)
Net cash used in investing activities		**(1,814,965)**	(258,154)	**(1,719,131)**	(232,339)
III. Cash flows from financing activities					
Cash received from capital contribution		**155,000**	807,900	**–**	807,900
Including: Cash received from capital contributions by minority shareholders of subsidiaries		**155,000**	–	**–**	–
Cash received from borrowings		**314,365**	532,357	**236,000**	364,800
Cash received relating to other financing activities		**83,000**	–	**–**	–
Sub-total of cash inflows from financing activities		**552,365**	1,340,257	**236,000**	1,172,700
Repayments of borrowings		**(451,717)**	(627,376)	**(261,200)**	(525,000)
Cash payments for dividends distribution, profits and interest expenses of borrowings		**(21,435)**	(39,458)	**(8,189)**	(11,516)
Purchase of minority equity interests		**–**	–	**–**	–
Cash payments relating to other financing activities		**(17,028)**	(75,361)	**(123,003)**	(284,383)
Sub-total of cash outflows from financing activities		**(490,180)**	(742,195)	**(392,392)**	(820,899)
Net cash flows from financing activities		**62,185**	598,062	**(156,392)**	351,801

CONSOLIDATED AND COMPANY CASH FLOW STATEMENT

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

	Notes	**For the six months ended June 30, 2026 Consolidated (Unaudited)**	For the six months ended June 30, 2025 Consolidated (Unaudited)	**For the six months ended June 30, 2026 Company (Unaudited)**	For the six months ended June 30, 2025 Company (Unaudited)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**(59,984)**	(2,624)	**(51,111)**	(1,668)
V. Net increase in cash and cash equivalents	4 (50)	**(2,562,254)**	(33,530)	**(2,855,268)**	(119,796)
Add: Cash and cash equivalents at the beginning of the period		**4,887,880**	1,190,960	**4,436,190**	886,419
VI. Cash and cash equivalents at the end of the period	4 (50)	**2,325,626**	1,157,430	**1,580,922**	766,623

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal representative:	*Principal in charge of accounting:*	*Head of the accounting department:*
Zhou Jian	**Zhang Ju**	**Chen Daocheng**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

		Equity attributable to the shareholders of the company						
Item	Notes	Share capital (Unaudited)	Capital surplus (Unaudited)	Less: Treasury shares (Unaudited)	Other comprehensive income (Unaudited)	Accumulated losses (Unaudited)	Minority interests (Unaudited)	Total shareholders' equity (Unaudited)
Balance at January 1, 2025		431,623	8,477,261	–	5,518	(6,802,797)	135,927	2,247,532
Movements for the six months ended June 30, 2025								
Total comprehensive income								
Net loss		–	–	–	–	(413,648)	(26,341)	(439,989)
Other comprehensive loss	4(35)	–	–	–	(10,576)	–	–	(10,576)
Total comprehensive loss		–	–	–	(10,576)	(413,648)	(26,341)	(450,565)
Shareholders' investment and capital reduction								
Ordinary shares contributed by shareholders	4(32)	10,155	797,745	–	–	–	–	807,900
Share-based payments included in shareholders' equity	7	–	72,205	–	–	–	–	72,205
Disposals of subsidiaries		–	–	–	–	–	(6,000)	(6,000)
Capital reduction by shareholders	4 (34)	–	–	(57,716)	–	–	–	(57,716)
Balance at June 30, 2025		441,778	9,347,211	(57,716)	(5,058)	(7,216,445)	103,586	2,613,356

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

		Equity attributable to the shareholders of the company						
Item	Notes	Share capital (Unaudited)	Capital surplus (Unaudited)	Less: Treasury shares (Unaudited)	Other comprehensive income (Unaudited)	Accumulated losses (Unaudited)	Minority interests (Unaudited)	Total shareholders' equity (Unaudited)
Balance at January 1, 2026		503,401	14,284,489	(57,716)	(6,200)	(7,505,988)	107,618	7,325,604
Movements for the six months ended June 30, 2026								
Total comprehensive income								
Net loss		–	–	–	–	(311,478)	(27,349)	(338,827)
Other comprehensive loss		–	–	–	4,990	–	–	4,990
Total comprehensive loss		–	–	–	4,990	(311,478)	(27,349)	(333,837)
Shareholders' investment and capital reduction								
Capital contribution from minority shareholder		–	60,798	–	–	–	94,202	155,000
Distributions to shareholders		–	–	–	–	(6,225)	–	(6,225)
Business combinations involving enterprises not under common control		–	–	–	–	–	717,925	717,925
Balance at June 30, 2026		503,401	14,345,287	(57,716)	(1,210)	(7,823,691)	892,396	7,858,467

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal representative:	*Principal in charge of accounting:*	*Head of the accounting department:*
Zhou Jian	**Zhang Ju**	**Chen Daocheng**

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

Item	Notes	Share capital (Unaudited)	Capital surplus (Unaudited)	Less: Treasury shares (Unaudited)	Other comprehensive income (Unaudited)	Accumulated losses (Unaudited)	Total shareholders' equity (Unaudited)
Balance at January 1, 2025		431,623	8,154,098	–	(8,000)	(6,610,947)	1,966,774
Movements for the six months ended June 30, 2025							
Total comprehensive loss							
Net loss						(467,864)	(467,864)
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income		–	–	–	–	(467,864)	(467,864)
Shareholders' investment and capital reduction							
Ordinary shares contributed by shareholders		10,155	797,745	–	–	–	807,900
Share-based payments included in shareholders' equity		–	73,802	–	–	–	73,802
Capital reduction by shareholders		–	–	(57,716)	–	–	(57,716)
Balance at June 30, 2025		441,778	9,025,645	(57,716)	(8,000)	(7,078,811)	2,322,896

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

Item	Notes	Share capital (Unaudited)	Capital surplus (Unaudited)	Less: Treasury shares (Unaudited)	Other comprehensive income (Unaudited)	Accumulated losses (Unaudited)	Total shareholders' equity (Unaudited)
Balance at January 1, 2026		503,401	13,960,897	(57,716)	(8,363)	(7,230,492)	7,167,727
Movements for the six months ended June 30, 2026							
Total comprehensive loss		–	–	–	–	–	–
Net loss		–	–	–	–	(118,602)	(118,602)
Other comprehensive income		–	–	–	(1,168)	–	(1,168)
Total comprehensive income		–	–	–	(1,168)	(118,602)	(119,770)
Shareholders' investment and capital reduction		–	–	–	–	–	–
Balance at June 30, 2026		503,401	13,960,897	(57,716)	(9,531)	(7,349,094)	(7,047,957)

The accompanying notes to the financial statements are an integral part of the financial statements.

Legal representative:	*Principal in charge of accounting:*	*Head of the accounting department:*
Zhou Jian	**Zhang Ju**	**Chen Daocheng**

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

1 GENERAL INFORMATION

UBTECH ROBOTICS CORP LTD (hereinafter referred to as the "**Company**") was a joint stock company established in the People's Republic of China (the "**PRC**") on March 31, 2012. The registered address and headquarters of the Company is in Shenzhen City, Guangdong Province, the PRC. The Company's shares were listed on the main board of The Stock Exchange of Hong Kong Limited on December 29, 2023. As at June 30, 2026, the total share capital of the Company was RMB503,401,373, each with par value of RMB1 (As of December 31, 2025, the total share capital was RMB503,401,373, each with par value of RMB1). The major shareholder of the Company is Mr. Zhou Jian, and as at June 30, 2026, he held 23.5% of the equity interest. The Company has had no ultimate controlling shareholder.

In the first half of 2026, the Company completed the equity acquisition of Zhejiang Fenglong Electric Co., Ltd. ("**Fenglong Electric**"), including the acquisition of 29.99% of its equity interests by way of share transfer by agreement in March 2026 and the acquisition of 13.02% of its equity interests by tender offering in April 2026, and upon completion of the acquisition, the Company held an aggregate of 43.01% of the equity interests of Fenglong Electric and became its controlling shareholder. For details of the transaction, please refer to note 5(1).

The Company and its subsidiaries (collectively, the "**Group**") are primarily engaged in the research and development, design, production and sales of robotic products and provision of ancillary service and solutions. Upon completion of the acquisition of Fenglong Electric, the Group's business scope has been extended to encompass the research, development, production and sale of garden machinery components, automotive components and hydraulic components.

These financial statements were authorised for issue by the Board of the Company on August 28, 2026.

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group applied the accounting policies and accounting estimates based on its business operations characteristics, including measurement of expected credit loss of receivables (Note 2(9)), measurement method of cost of inventories (Note 2(10)), depreciation of fixed assets, amortisation of intangible assets and right-of-use assets (Note 2(12), (14) and (24)), revenue recognition and measurement (Note 2(22)), etc.

The key judgements, significant accounting estimates and key assumptions used by the Group in determining significant accounting policies are disclosed in Note 2(27).

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(1) Preparation Basis of Financial Statements

The financial statements are prepared in accordance with Accounting Standards for Business Enterprises – Basic Standard, and the specific accounting standards and relevant regulations issued by the Ministry of Finance on February 15, 2006 and in subsequent periods (hereafter collectively referred to as the "**Accounting Standards for Business Enterprises**").

The financial statements are prepared on a going concern basis.

Certain matters relating to financial statements have been disclosed in accordance with disclosure requirements of the Hong Kong Companies Ordinance.

(2) Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the six months ended June 30, 2026 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the Consolidated and the Company's financial position as at June 30, 2026 and their financial performance, cash flows and other information for the period then ended.

(3) Accounting Year

The accounting period with the calendar year commences on January 1 and ends on December 31.

(4) Functional Currency

The functional currency of the Company is RMB. The subsidiaries of the Company determine their recording currencies based on the primary economic environment in which they operate. The recording currency of our Hong Kong subsidiary is HKD, and the recording currency of our US subsidiary is USD. These financial statements are presented in Renminbi.

(5) Business Combinations

Business combinations involving enterprises not under common control

The cost of combination and identifiable net assets obtained by the Group in a business combination are measured at fair value at the acquisition date. Where the cost of the combination exceeds the Group's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill; where the cost of combination is lower than the Group's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period. Any costs directly attributable to the business combination shall be recognised in profit or loss for the current period when occurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(6) Preparation of Consolidated Financial Statements

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

Subsidiaries are consolidated from the date on which the Group obtains control and are deconsolidated from the date that such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profits realised before the combination date is presented separately in the consolidated income statement.

In preparing the consolidated financial statements, where the accounting policies and the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted to align with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

All significant intra-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of subsidiaries' shareholders' equity and the portion of subsidiaries' net profits and losses and comprehensive incomes for the period not attributable to the Company are recognised as minority interests, net profit and loss attributed to minority interests and total comprehensive income attributed to minority interests, and presented separately in the consolidated financial statements under shareholders' equity, net profits and total comprehensive income respectively. Unrealised profits and losses resulting from the sale of assets by the Company to its subsidiaries are fully eliminated against net profit attributable to shareholders of the parent company. Unrealised profits and losses resulting from the sale of assets by a subsidiary to the Company are eliminated and allocated between net profit attributable to shareholders of the parent company and net profits and losses attributed to minority interests in accordance with the allocation proportion of the Company's interest in the subsidiary. Unrealised profits and losses resulting from the sale of assets by one subsidiary to another are eliminated and allocated between net profit attributable to shareholders of the parent company and net profits and losses attributed to minority interests in accordance with the allocation proportion of the Company's interest in the selling subsidiary. If the accounting treatment of a transaction in the financial statements at the Group level is inconsistent with that at the Company or its subsidiary level, adjustment is made from the perspective of the Group.

Where the Group acquires all or part of the minority equity interests in a subsidiary held by minority shareholders from such minority shareholders, the assets and liabilities of the subsidiary are still reflected in the consolidated financial statements at the amounts continuously calculated from the date of acquisition or combination. The difference between the additional long-term equity investment arising from the acquisition of minority equity interests and the share of net assets of the subsidiary continuously calculated from the date of acquisition or combination attributable to the Group according to the newly increased ownership percentage is adjusted to capital reserve (capital premium or share premium). If the balance of capital reserve is insufficient to offset such difference, the deficit is offset against retained earnings and unappropriated profits in sequence.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(7) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(8) Foreign Currency Translation

(a) Foreign currency transactions

Foreign currency transactions are translated into functional currency using the approximate exchange rate of the spot exchange rate at the dates of the transactions. The spot exchange rate is the foreign exchange rate quoted by the People's Bank of China. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method, which is the weighted average exchange rate that approximates the spot exchange rate at the date of the transaction.

At the balance sheet date, monetary items denominated in foreign currencies are translated into Renminbi using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognized in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalized as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(b) Translation of financial statements denominated in foreign currency

The asset and liability items in the balance sheets for overseas operations are translated at the spot exchange rates on the balance sheet date. Among the shareholders' equity items, the items other than "undistributed profits" are translated at the spot exchange rates on the transaction dates. The income and expense items in the income statements of overseas operations are translated at the rate that approximates the spot exchange rates of the transaction dates. The differences arising from the above translations are included in other comprehensive income. The cash flows of overseas operations are translated at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(9) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity meanwhile forms a financial liability or equity instrument of another entity. The Group recognizes financial assets, financial liabilities or equity instruments when it becomes a party to the contract of financial instruments.

(a) Financial assets

(i) Classification and measurement

The Group classifies financial assets according to the business model of managing financial assets and the contractual cash flow characteristics of financial assets: (1) financial assets measured at amortised cost; (2) financial assets measured at fair value through other comprehensive income; (3) financial assets measured at fair value through profit or loss.

Financial assets are measured at fair value on initial recognition. Transaction costs of financial assets carried at FVPL are expensed in profit or loss; for other categories of financial assets, the related transaction costs are included in the initial recognition amount. For the accounts receivable or notes receivable arising from the sale of products or the provision of labor services that do not contain or consider the significant financing components, the Group determines the amount of the consideration expected to be entitled to be received as the initial recognition amount.

Debt instruments

The debt instruments held by the Group refer to the instruments that meet the definition of financial liabilities from the issuers' perspective. There are three categories into which the Group measures its debt instruments:

Measured at amortised cost:

The Group's business model for managing such financial assets is to collect the contractual cash flows, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements, which means the cash flows generated on a specific date, represent solely payment of the principal and interest on the outstanding principal amount. The Group recognises interest income for such financial assets in accordance with the effective interest method. Such financial assets mainly include cash at bank and on hand, notes receivables, accounts receivable, other receivables, and long-term receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(9) Financial Instruments *(Continued)*

(a) Financial assets (Continued)

(i) Classification and measurement (Continued)

Debt instruments (Continued)

Measured at fair value through other comprehensive income ("**FVOCI**")

The Group's business model for managing such financial assets is aimed at collecting contractual cash flow and selling, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements. Such financial assets are measured at FVOCI, while impairment losses or gains, exchange gain or loss and interest income calculated according to the effective interest rate method are recognised in profit or loss for the current period. Such financial assets mainly include other equity instrument investments.

Measured at fair value through profit or loss ("**FVTPL**"):

Debt instruments held by the Group that are measured neither at amortised cost nor at FVOCI, are measured at FVTPL. Investments maturing over one year from the balance sheet date and expected to be held for over one year are presented as other non-current financial assets, while the remainder are presented as financial assets held for trading.

Equity instruments

Investments in equity instruments, over which the Group has no control, joint control or significant influence, are measured at FVTPL under financial assets held for trading; investments in equity instruments expected to be held for over one year as from the balance sheet date are presented as other non-current financial assets.

In addition, the Group designates part of financial assets which are not held for trading at FVOCI and presents them in other equity instruments investments at initial recognition. The dividend income related to these financial assets is recognised in profit or loss.

(ii) Impairment

The Group recognizes a loss allowance for expected credit loss on a financial asset that is measured at amortised cost, and debt instruments investment at FVOCI and contract assets.

Giving consideration to reasonable and supportable information that is available without undue cost or effort at the balance sheet date on past events, current conditions and forecasts of future economic conditions weighted by the probability of default, the Group recognises the ECL as the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to collect.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(9) Financial Instruments *(Continued)*

(a) Financial assets (Continued)

(ii) Impairment (Continued)

For notes receivable, accounts receivable and long-term receivables arising from sale of goods and rendering of services in the ordinary course of operating activities, the Group recognises the lifetime ECL regardless of whether there exists a significant financing component. For accounts receivable and long-term receivables with significantly different credit risk characteristics, the ECL is calculated according to the individual financial assets. When it is unable to evaluate the information of expected credit loss of a single financial asset at a reasonable cost, the Group divides the receivables into portfolios according to the characteristics of credit risk, calculates the expected credit loss on the basis of the portfolio, and determines the portfolio on the basis of the following:

Accounts receivable portfolio 1	For governmental and state-owned enterprise customers, the initial recognition time point shall be taken as the starting point for calculating the ageing
Accounts receivable portfolio 2	For non-governmental and non-state-owned corporate clients, the initial recognition time point shall be taken as the starting point for calculating the ageing
Accounts receivable portfolio 3	For external related parties of the Group, the initial recognition time point shall be taken as the starting point for calculating the ageing
Accounts receivable portfolio 4	For internal related parties of the Group, the initial recognition time point shall be taken as the starting point for calculating the ageing
Notes receivables portfolio 1	Commercial acceptance notes receivable
Notes receivables portfolio 2	Bank acceptance notes receivable
Long-term receivables portfolio 1	For governmental and state-owned enterprise customers, the overdue date shall be taken as the starting point for calculating the ageing
Long-term receivables portfolio 2	For non-governmental and non-state-owned corporate clients, the overdue date shall be taken as the starting point for calculating the ageing

For accounts receivable and long-term receivables assessed individually for expected credit loss, the expected credit loss is recognized based on the difference between the carrying amount of the account receivable on an individual basis and the present value of expected cash flows under different scenarios.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(9) Financial Instruments *(Continued)*

(a) Financial assets (Continued)

(ii) Impairment (Continued)

For the remaining accounts receivable and long-term receivables, the Group classifies different portfolios according to risk characteristics and determines the ECL rate based on the ageing matrix. When determining the ECL rate, the Group uses internal historical credit loss experience and other data, and adjusts the historical data based on current conditions and forward-looking information.

For notes receivable arising from sales of goods, rendering of services and other ordinary operating activities, the Group determines the probability of default and the default loss rate based on the external credit rating of the counterparty and the industry in which it operates and calculates the ECL before the adjustment of forward-looking information based on the default risk exposure.

At each balance sheet date, the ECL of financial instruments other than aforesaid notes receivable, accounts receivable and long-term receivables are measured based on different stages. A 12-month ECL provision is recognised for financial instruments in the first stage, that have not had a significant increase in credit risk since initial recognition, lifetime ECL provision is recognised for financial instruments in the second stage, that have had a significant increase in credit risk without credit impairment since initial recognition, and lifetime ECL provision is recognised for financial instruments in third stage, that have had a credit impairment since initial recognition.

For the financial instruments with low credit risks as at the balance sheet date, the Group assumes there is no significant increase in credit risk since initial recognition and recognises loss allowance based on the 12-month ECL.

For the financial instruments in Stage 1 and Stage 2, the Group calculates the interest income by applying the effective interest rate to the gross carrying amount (before net of expected credit loss provision). For the financial instrument in Stage 3, the interest income is calculated by applying the effective interest rate to the amortised cost (net of expected credit loss provision).

Impairment losses (and reversal of impairment losses) is recognised in the statement of profit or loss. For debt investments measured at FVOCI, the Group recognises losses (and reversal of impairment losses) in the statement of profit or loss and adjusts OCI at the meantime.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(9) Financial Instruments *(Continued)*

(a) Financial assets *(Continued)*

(iii) Derecognition

A financial asset is derecognised when any of the below criteria is met: (1) the contractual rights to receive the cash flows from the financial asset expire; (2) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; (3) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

When the investment of other equity instruments is de-recognised, the difference between the carrying amount and the sum of the consideration received and the change of fair value accumulated in the original direct accounting of other comprehensive income shall be recorded into the retained earnings; when other financial assets are de-recognised, the difference between the carrying amount and the sum of the consideration received and the change of fair value accumulated in the original direct accounting of other comprehensive income shall be recorded into profit or loss.

(b) Financial liability

Financial liabilities are classified into financial liabilities at amortised cost, financial liabilities at fair value through profit or loss at initial recognition and derivative financial liabilities.

The Group's financial liabilities are mainly financial liabilities measured at amortised cost, including notes payables and accounts payable, other payables, long-term payables and borrowings which are initially recognized at fair value deducting transaction costs, and subsequently measured at amortised cost using the effective interest method. Those with maturities no more than one year (inclusive) are classified as current liabilities; those with maturities over one year but due within one year (inclusive) at the balance sheet date are classified as the current portion of non-current liabilities; others are classified as non-current liabilities.

A financial liability is derecognised or partly derecognised when the current obligation is discharged or has been partly discharged. The difference between the carrying amount of the derecognised part of the financial liabilities and the consideration paid is recognised in profit or loss.

(c) Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(9) Financial Instruments *(Continued)*

(d) Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique when it is applicable under current conditions and there are enough available data and other information to support. Those inputs should be consistent with the inputs a market participant would use when pricing the asset and liability, and should maximize the use of relevant observable inputs. When related observable inputs can't be acquired or are not feasible to be acquired, then unobservable inputs are used.

(10) Inventories

(a) Classification

Inventories include raw materials, products in progress, finished goods, goods in transit and contract fulfilment cost, which are measured at the lower of cost and net realisable value.

(b) Measurement method of cost of inventories

Cost of inventories recognised is calculated using the weighted average method on a monthly basis.

(c) Basis for determining net realisable values of inventories and method for making provision for decline in the value of inventories

Provision for decline in the value of inventories is determined at the excess amount of the carrying amounts of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price of inventories, less the costs of completion and estimated contract fulfillment costs and costs necessary to make the sale and related taxes. Regarding estimated selling price, the estimation is based on the agreed price of existing sale contracts or sale orders. If agreed price does not exist, the selling price is estimated based on current market selling price.

(d) Our Group adopts the perpetual inventory system.

(11) Long-term equity investments

Long-term equity investments are comprised of the Company's long-term equity investments in its subsidiaries, the Group's long-term equity investments in its joint ventures and associates.

Subsidiaries are the investees over which the Company is able to exercise control. A joint venture is a joint arrangement which is structured through a separate vehicle over which the Group has joint control together with other parties and only has rights to the net assets of the arrangement based on legal forms, contractual terms and other facts and circumstances. An associate is the investee over which the Group has significant influence by participating in the financial and operating policy decisions.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(11) Long-term equity investments *(Continued)*

Investments in subsidiaries are presented in the Company's financial statements using the cost method, and are adjusted to the equity method when preparing the consolidated financial statements. Investments in joint ventures and associates are accounted for using the equity method.

(a) Determination of investment cost

For long-term equity investments acquired through a business combination involving enterprises not under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination: for long-term equity investment acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity instruments, the initial investment cost shall be the fair value of the equity instruments issued.

(b) Subsequent measurement and recognition of related profit and loss

Long-term equity investments accounted for using the cost method are measured at initial investment cost, and cash dividends or profit distributions declared by the investees are recognised as investment income in profit or loss.

For long-term equity investments accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the long-term equity investment is measured at the initial investment cost; where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

For long-term equity investments accounted for using the equity method, the Group recognises the investment income or loss according to its share of net profit or loss of the investee. The Group discontinues recognising its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards in the contingencies are satisfied, the Group continues recognising the investment losses expected to be borne. For changes in shareholders' equity of the investee other than those arising from its net profit or loss, other comprehensive income and profit distribution, the Group adjusts the carrying amount of long-term equity investments and records its proportionate share directly into capital surplus. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by an investee.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(11) Long-term equity investments *(Continued)*

(b) Subsequent measurement and recognition of related profit and loss *(Continued)*

The unrealised profits or losses arising from the intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment gains or losses of Company financial statements are recognised. In preparing the consolidated financial statements, for the portion of unrealised internal transaction gains or losses attributable to the Group arising from downstream transactions in which the Group invests or sells assets to the investee, the Group offsets the portion of unrealised revenues and costs or gains or losses on disposal of assets attributable to the Group on the basis of the offset in the company financial statements, and adjusts investment income accordingly. For the portion of unrealised internal transaction gains or losses attributable to the Group arising from counter-current transactions in which the investee invests or sells assets to the Group, the Group should offset the portion of unrealised internal transaction gains or losses attributable to the Group included in the carrying amount of the relevant assets on the basis of the offset in the Company's financial statements and adjust the carrying amount of long-term equity investments accordingly. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealised loss is not eliminated.

(c) Basis for determining control, joint control and significant influence over investees

Control is the power over an investee, whereby the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Joint control is a contractually agreed sharing of control of an arrangement, and the decisions relating to the activity of the arrangement require the unanimous consent of the Group and other participating parties sharing that control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

(d) Impairment of long-term equity investments

The carrying amounts of long-term equity investments in subsidiaries, joint ventures and associates are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2 (16)).

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(12) Fixed Assets

Fixed assets include houses and buildings, machinery and equipment, motor vehicles and office equipment. Fixed assets are recognised when it is probable that the related economic benefits will flow to the Group and the costs can be reliably measured. Purchased or newly acquired fixed assets are measured initially at cost on date of acquisition.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset when it is probable that the related economic benefits will flow to the Group and the subsequent expenditures can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss for the period in which they are incurred.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, the estimated net residual value rate and the annual depreciation rate for fixed assets are as follows:

	Estimated useful lives	Estimated net residual value rate	Annual depreciation rate
Houses and buildings	20–50 years	5%	1.9%–4.75%
Machinery and equipment	2–10 years	5%	9.50%–47.50%
Motor vehicles	3–10 years	5%	9.50%–31.67%
Office equipment	3–5 years	5%	19.00%–31.67%

The estimated useful life, the estimated net residual value rate of a fixed asset and the depreciation method applied to the asset are reviewed, and adjusted as appropriate at each year-end. The carrying amount shall be reduced to the recoverable amount when the recoverable amount of fixed assets is less than the carrying amount (Note 2 (16)).

A fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(13) Construction In Progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the construction in progress ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins from the following month. The carrying amount shall be reduced to the recoverable amount when the recoverable amount of construction in progress is less than the carrying amount (Note 2 (16)).

(14) Intangible Assets

Intangible assets, including land use rights, customer contracts, trademarks and software and others, and are measured at cost.

(a) Land use rights

Land use rights are amortised on the straight-line basis over their approved useful period from 30 to 50 years.

(b) Software

Software are amortised on the straight-line basis over their approved useful period from 3 to 10 years.

(c) Customer contracts

Customer contracts acquired in business combinations are recognised at fair value at the acquisition date. Customer contracts are amortised on the straight-line basis over 3–6 years.

(d) Trademarks

Purchased trademarks are measured at cost at the acquisition date and amortised on a straight-line basis over 10 years.

(e) Periodical review of useful life and amortisation method

For an intangible asset with a finite useful life, the expected useful life and amortisation method are reviewed at each year-end and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(14) Intangible Assets *(Continued)*

(f) Research and development

The Group's research and development expenditures mainly include expenditures on materials consumed for the implementation of the Group's research and development activities, remuneration of staff in the research and development department, depreciation and amortisation of assets such as equipment and software used in research and development, research and development testing, research and development technical service fees and licensing fees.

Expenditure in the research stage, such as the planned investigation, evaluation and selection phases of the production process research is recognised in profit or loss when it is incurred. Expenditure in the development stage, such as the design and testing for the final application of the production process before the large-scale production, should be capitalized only if all of the following conditions satisfied:

- The development of the production process has been sufficiently proved by the technical team;
- The budget relating to development of the production process has been approved by the management;
- The research and analysis of preliminary market research shows that the products produced by the production process have marketability;
- There are adequate technical and financial resources to complete the development of production process and subsequent large-scale production; and
- The expenditures attributable to the development of the production process can be reliably measured.

Other development expenditures that do not meet the conditions above are recognised in profit or loss in the period in which they are incurred. Development costs previously recognised as expenses are not recognised as an asset in a subsequent period. Capitalised expenditure on the development phase is presented as development costs in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

(g) Impairment of intangible assets

When the recoverable amount of an intangible asset is lower than its carrying amount, the carrying amount is reduced to the recoverable amount (Note 2 (16)).

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(15) Long-term Prepaid Expenses

Long-term prepaid expenses include the expenditure for improvements to right-of-use assets, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortisation.

(16) Impairment of Long-Term Assets

Fixed assets, construction in progress, intangible assets with finite useful lives, and long-term equity investments in associates and joint ventures are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. The intangible assets not ready for intended use yet and those with indefinite useful live, are tested at least annually for impairment, irrespective of whether there are any indications of impairment. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of the fair value less the cost of disposal and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying value of goodwill is allocated to the related group of assets or group of asset combinations which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or a group of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognised. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the group of assets or group of asset combinations, and then deducted from the carrying amounts of other assets within the group of assets or group of asset combinations in proportion to the carrying amounts of assets other than goodwill.

Once the above asset impairment loss is recognised, it will not be reversed for the value recovered in the subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(17) Borrowing Costs

The borrowing costs that are directly attributable to acquisition and construction of an asset that needs a substantially long period of time for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognised in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of an asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction of an asset is resumed.

For the specific borrowings obtained for the acquisition or construction of an asset qualifying for capitalization, the amount of borrowing costs eligible for capitalization is determined by the actual interest expenses incurred on those borrowings for the period less any interest income earned from depositing the unused specific borrowings in the banks or any investment income arising on the temporary investment of those borrowings.

For the general borrowings obtained for the acquisition or construction of an asset qualifying for capitalization, the amount of borrowing costs eligible for capitalization is determined by applying the weighted average effective interest rate of general borrowings, to the weighted average of the excess amount of cumulative expenditures on the asset over the amount of specific borrowings. The effective interest rate is the rate at which the future cash flows during the period of expected duration of the borrowings or applicable shorter period are discounted to the initial recognition amount of the borrowings.

(18) Employee Benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for termination of employment relationship, which include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits, etc.

(a) Short-term employee benefits

Short-term employee benefits include wages or salaries, bonuses, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs and short-term paid absence, etc. The short-term employee benefits actually incurred are recognised as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Non-monetary benefits are measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(18) Employee Benefits *(Continued)*

(b) Post-employment benefits

The Group classifies post-employment benefit plans into defined contribution plans and defined benefit obligations. Defined contribution plans are post-employment benefit plans that no longer assumes further payment obligations after the Group pays a fixed fee to an independent fund. Defined benefit obligations are post-employment benefit plans other than defined contribution plans.

During the reporting period, the Group's post-employment benefits mainly include the premiums or contributions on basic pension insurance and unemployment insurance.

Basic pension insurance

The Group's employees participated in the basic social pension insurance organised and implemented by local labour and social security bureau. The Group pays pension insurance contributions to the local social basic pension insurance administration agency on a monthly basis, using the contribution base and rates stipulated by local regulations. After retirement, local labour and social security bureau is responsible for paying the pension benefit to the retired employees. The Group recognizes the amounts payable calculated in accordance with the above social insurance regulations as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to profit or loss for the current period or the cost of relevant assets.

(c) Termination benefits

The Group provides compensation for terminating the employment relationship with employees before the end of the employment contracts or as an offer to encourage employees to accept voluntary redundancy. The Group recognises a liability arising from compensation for termination of the employment relationship with employees, with a corresponding charge to profit or loss for the current period at the earlier of the following dates: when the Group cannot unilaterally withdraw an employment termination plan or a redundancy proposal; when the Group recognises costs or expenses for a restructuring that involves the payment of termination benefits.

The termination benefits expected to be settled within one year since the balance sheet date are classified as employee benefits payable.

(19) Dividend Distribution

Cash dividend is recognised as a liability for the period in which the dividend is approved by the shareholders' meeting.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(20) Provisions

The quality of the Group's products is guaranteed for within 1 year, provisions for product quality warranty are recognised when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognised as interest expense.

The carrying amount of provisions is reviewed and adjusted as appropriate at each balance sheet date to reflect the current best estimate.

The provisions expected to be settled within one year since the balance sheet date are classified as current liabilities.

(21) Deferred Tax Assets and Deferred Tax Liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable income (or deductible losses) and in which the initially recognised assets and liabilities do not result in equal amounts of taxable temporary differences and deductible temporary differences. At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(21) Deferred Tax Assets and Deferred Tax Liabilities *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in joint ventures and subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the deductible temporary differences arising from investments in joint ventures and subsidiaries will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the deductible temporary differences can be utilised, the corresponding deferred tax assets are recognised.

Deferred tax assets and liabilities are offset when meeting all the conditions below:

The deferred tax assets and liabilities are related to the same tax payer within the Group and the same taxation authority; and that tax payer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

(22) Revenue Recognition

The Group generates revenue primarily from the sale of products and provision of other ancillary services to customers. The Group recognises revenue at the amount of consideration which the Group expects to be entitled to receive when the customer obtains control of the relevant goods or services.

The Group should recognize revenue when the customer acquires control of relevant goods after the contracts between the Group and the customer meeting the following conditions: (1) the contracted parties have approved such contract and committed that they would perform their respective obligations; (2) the contract specified the rights and obligations of all parties related to the goods transferred or the services provided; (3) the contract has clear payment terms on the goods transferred; (4) the contract is of commercial nature, namely that the performance of the contract will change the risks, time or amount of future cash flows of the enterprise; (5) it is probable that the consideration to which the enterprise is entitled in exchange for transferring goods to the customer will be received. If a contract signed between the Group and the customer prior to the contract commencement date does not satisfy the five conditions, the Group will subsequently conduct continuous assessment and, when the five conditions are simultaneously met, recognize revenue in accordance with the revenue standard.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(22) Revenue Recognition *(Continued)*

The Group satisfies a performance obligation over time, if one of the following criteria is met; otherwise, it satisfies a performance obligation at a point in time:

(i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

(ii) the customers can control the goods in the process of construction during the performance of the Group.

(iii) the Group's performance does not create an asset with an alternative use to it, and the Group has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

When the performance progress cannot be reasonably determined, the revenue shall be recognised according to the amount of costs incurred if the expenses incurred by the Group could be expected to be compensated, until the performance progress can be reasonably determined.

For performance obligation fulfilled at a point of time, the Group recognises revenue at the amount of consideration that is likely to be received when a customer obtains control of the relevant goods.

Contract costs include contract fulfilment costs and contract acquisition costs. The costs are recognised as contract fulfilment costs on the condition that the costs are incurred by the Group for the fulfilment of the current or expected sales contracts or service contracts, the costs increase the resources that the Group will use to fulfil obligations in the future, and the costs are expected to be recoverable. The contract fulfilment costs are recognised as the cost of sales of main operations based on the stage of completion when recognising revenue. Cost incurred by the Group for the acquisition of the contract is recognised as incremental costs of obtaining a contract. For costs of obtaining a contract with amortisation period of less than one year, it would be recognised in profit or loss for the current period when it occurs; for costs of obtaining a contract with amortisation period of more than one year, it would be amortised in profit or loss on the basis of revenue recognition of the related contract. If the carrying amount of contract cost is higher than the remaining consideration expected to be obtained by the provision of the service minus the estimated cost to be incurred, the Group makes impairment provisions on the excess and recognises it as asset impairment losses. As at the balance sheet date, based on whether the amortisation period of the contract fulfilment costs is less than one year or more than one year as determined upon initial recognition, the amount of the Group's contract fulfilment costs (net of related provision for asset impairment) is presented as inventories or other non-current assets respectively. For contract acquisition costs with an amortisation period more than one year as determined upon the initial recognition, the amount net of any related provision for asset impairment is presented as other non-current asset.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
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2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(22) Revenue Recognition *(Continued)*

For the existence of significant financing components in the contract, the Group determines the transaction price based on the amount payable immediately by cash upon the receipt of control of goods or services by the customer, and uses the discount rate which discounts the nominal amount of the contract consideration to the discounted price of the goods or services to amortise the difference between the determined transaction price and the consideration amount of the contract commitment using the effective interest method during the contract period. Where it is expected that the intervals between the customer's control over the goods and the payment by the customer will not exceed one year, the Group does not consider the significant financing components in the contract.

At the inception date of contract, the Group shall assess the contract, identify each of the performance obligations in the contract, as well as ensure whether the performance obligations is to be fulfilled over time or at a particular point in time, and subsequently confirms the revenue accordingly upon the complete fulfillment of each of the performance obligations. For contracts containing different performance obligations, the Group allocates the price obtained for the contract among the different performance obligations according to the relative proportion of individual selling price of each performance obligation. The Group generally determines standalone selling prices based on the prices charged to customers when the Group sells it separately in similar circumstances to similar customers. If the standalone selling price is not directly observable, it is estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Changes in assumptions and estimates made by the Group in estimating the relative selling prices of various performance obligations may affect the amount of revenue recognised by the Group.

Revenue from provision of ancillary services

For the products sold by the Group, it also provides training and other ancillary services. Relevant revenue is recognised over the contracted period with customers in which the ancillary services are provided by the Group as the customers simultaneously receive and consume the benefit arising from the Group's performance.

Revenue from sale of goods

When selling goods to customers, the Group recognises revenue from the sale of goods at the amount of consideration to which the Group expects to be entitled when the customer obtains control of the relevant goods or services. Revenue from the sale of goods is calculated on the basis of the price stipulated in the sales contract and accounts receivable are recognised when the unconditional right to receive payment is recognised, otherwise the Group recognises contract assets at the time of revenue recognition. In some of the contracts, customers of the Group were granted a right of return within 7 or 14 days. The Group uses its accumulated experience to estimate the likelihood that goods sold will be returned at the time of sale and to make provision for sales returns. The Group recognises the amount expected to be refunded as a result of sales returns as refunds payable, which is presented as other current liabilities. At the same time, the balance of the carrying amount of the returned product at the time of sale, after deducting the estimated cost of recovering the product, is recognised as a return cost receivable and presented as other current assets.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(23) Government grants

Government grants are transfers of monetary or non-monetary assets from the government to the Group at nil consideration, including refund of taxes and financial subsidies.

A government grant is recognised when the conditions attached to it can be satisfied and the government grant can be received. If a government grant is in the form of monetary assets, the grant is measured at the amount received or receivable. For a government grant in the form of non-monetary assets, it is measured at fair value; if the fair value is not reliably determinable, the grant is measured at nominal amount.

Government grants related to assets are those obtained for forming long-term assets by purchase, construction or acquisition in other ways. Government grants related to income represent those government grants other than related to assets.

The Group recognises government grants related to assets as deferred income and apportions to profit or loss in a reasonable and systematic manner over the useful lives of the relevant assets.

For government grants related to income, where the grant is a compensation for related expenses or losses to be incurred in the subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related costs are recognised; where the grant is a compensation for related expenses or losses already incurred by the Group, the grant is recognised immediately in the current profit or loss.

The Group presents similar types of government grants consistently in the financial statements. Government grants that are related to daily activities are included in the operating profit, otherwise, they are recorded in non-operating income or expenses.

(24) Leases

Lease is a contract in which the lessor transfers the use rights of assets to the lessee to obtain consideration for a certain period.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(24) Leases *(Continued)*

The Group as the lessee

The Group recognises the right-of-use assets at the starting date of the lease term, and recognises the lease liabilities at the present value of the outstanding lease payment. Lease payments include fixed payments and payments to be made if it is reasonably certain that the option to purchase or terminate will be exercised. The variable rent determined according to a certain proportion of sale shall be recognised in profit or loss for the current period instead of being included in the lease payment when actually incurred. The Group lists the lease liabilities paid within one year (including one year) from the balance sheet date as current portion of non-current liabilities to be settled within one year.

Right-of-use assets comprise leased yards, plants and equipment. Right-of-use assets are measured initially at cost, which comprises the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date and any initial direct costs, less any lease incentives received. If there is reasonable certainty that the Group will obtain ownership of the underlying asset by the end of the lease term, the asset is depreciated over its remaining useful life; Otherwise the asset is depreciated over the shorter of the lease term and its remaining useful life. The carrying amount of the right-of-use asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount.

For short-term leases with a term of 12 months or less and leases of an individual asset (when new) of low value, the Group chooses to include the lease payments in the cost of the underlying assets or in the profit or loss for the current period on a straight-line basis over the lease term, instead of recognising right-of-use assets and lease liabilities.

When the lease contract changes and the following conditions are met at the same time, the Group should treat it as a separate lease for accounting treatment: (1) the new lease contract expands the lease scope by adding one or more rights to use the leased asset; (2) the increased consideration is equivalent to the amount of the individual price of the expanded part of the lease scope adjusted according to the contract conditions.

When the lease change is not accounted for as a separate lease, the Group will re-determine the lease term on the effective date of the lease change, except for the simplified method for contract changes prescribed by the Ministry of Finance. In addition, the revised discount rate is used to discount the changed lease payment and remeasure the lease liability. If the lease change causes the scope of the lease to be narrowed or the lease term to be shortened, the Group will correspondingly reduce the carrying amount of the right-of-use asset, and the relevant gains or losses from the partial or complete termination of the lease are included in profit and loss for the current period. If other lease changes cause the lease liability to be remeasured, the Group will adjust the carrying amount of the right-of-use asset accordingly.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(24) Leases *(Continued)*

The Group as the lessor

A financial lease is a lease that substantially transfers almost all the risks and rewards related to the ownership of an asset. An operating lease is a lease other than a finance lease. Where the Group leases out self-owned buildings, rental income of operating lease is recognised on a straight-line basis over the lease term.

(25) Segment Information

The Group determines operating segments on the basis of the internal organisational structure, management requirements and internal report system, and determines reporting segments on the basis of operating segments, and discloses information of the segments.

An operating segment is a component of the Group that meets all the following conditions: (1) it engages in business activities from which it may earn revenues and incur expenses; (2) its financial performance is regularly reviewed by Management to make decisions about resource to be allocated to the segment and assess its performance; (3) our Group is able to obtain its accounting information regarding financial position, financial performance and cash flows. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and satisfy certain conditions. As the management of the Group believes that the Group has only one operating segment, the Group does not disclose any segment information.

In the first half of 2026, the Group completed the share acquisition of Fenglong Electric. As the business integration is ongoing, the chief operating decision maker is assessing the impact of the newly acquired business on the structure of operating segments of the Group. The structure of new reporting segments will be disclosed in the annual report for the year ending December 31, 2026. The existing segment structure is temporarily retained in this interim report.

On June 30, 2026 (for the six months ended June 30, 2026), more than 90% of the Group's non-current assets, excluding financial instruments and deferred tax assets, were situated in Chinese mainland.

(26) Share-based Payments

Share-based payments are classified as equity-settled share-based payments and cash-settled share-based payments. The restricted share scheme and share option scheme implemented by the Group is accounted for as equity-settled share-based payments.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
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2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(26) Share-based Payments *(Continued)*

The equity-settled share-based payments in exchange for employee services shall be measured at the fair value of the equity instruments granted to the employees. Where the equity-settled share-based payments are exercisable immediately after the grant is completed, the payments shall be recognised in profit or loss for the current period at the fair value of the equity instruments at the grant date, with capital surplus increased accordingly; where the equity-settled share-based payments are exercisable after the service in the waiting period is completed or specified performance conditions are met, the service obtained in the current period shall be recognised in profit or loss for the current period at the fair value of the equity instruments at the grant date based on the best estimate on the quantity of exercisable equity instruments made by the Group in accordance with the latest changes in the number of employees expected to be entitled to exercise satisfaction of specified performance conditions and other subsequent information at each balance sheet date within the waiting period.

For share-based payments that ultimately fail to satisfy the vesting conditions, the Group does not recognise any cost or expense, unless the vesting condition is a market condition or a non-vesting condition, in which case the payment is treated as vested provided that all non-market conditions among the vesting conditions are satisfied, irrespective of whether the market condition or non-vesting condition is satisfied.

When the Group modifies the terms of the share-based payment plan, if the modification increases the fair value of the granted equity instruments, the Group shall recognise the increase in services received based on the difference between the fair value of the equity instruments before and after the modification on the modification date. If the Group revises the conditions for exercisability in a manner favourable to employees, the Group shall account for the payment according to the revised conditions; if the Group revises the conditions for exercisability in a manner unfavourable to employees, the Group shall not consider that in the accounting, unless the Group cancels part or all of the granted equity instruments. If the Group cancels the granted equity instruments, the payments shall be accelerated for exercise on the cancellation date, and the amount that should have been recognised during the remaining waiting period shall be immediately included in profit or loss for the current period, and capital surplus shall be also recognised.

(27) Critical accounting estimates and judgements

The Group continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(27) Critical accounting estimates and judgements *(Continued)*

(a) Critical judgements in applying the accounting policies

Judgment of significant increase in credit risk and credit impairment

The Group makes the following judgments on significant increases in credit risk and credit impairments when distinguishing the different stages that financial instruments are in:

The Group's main criteria for judging a significant increase in credit risk are significant changes in one or more of the following indicators: the operating environment in which the debtor is located, internal and external credit ratings, significant changes in actual or expected operating results, and significant decreases in the value of collateral or the credit rating of the guarantor that affect the probability of default.

The Group's main criteria for judging that credit impairment has occurred is that one or more of the following conditions are met: significant financial difficulties of the debtor, other debt restructuring, or likely bankruptcy.

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(b) Critical accounting estimates and key assumptions

(i) Measurement of expected credit loss on trade receivables and long-term receivables

The Group recognises impairment allowances for trade receivables and long-term receivables based on lifetime expected credit losses. For accounts receivable and long-term receivables with significantly different credit risk characteristics, the ECL is calculated according to the individual financial assets. Where information for assessing the expected credit losses of individual financial assets cannot be obtained at a reasonable cost, the Group classifies trade receivables and long-term receivables into various portfolios by reference to their credit risk characteristics, and calculates expected credit losses on a portfolio basis. In previous years, the Group determined the probability of default and the default loss rate based on the external credit rating of the counterparty and the industry in which it operates, and determined the expected credit loss of accounts receivable and long-term receivables based on the default risk exposure and the adjustment of forward-looking information. In the current year, as the Group has accumulated sufficient historical data and operational experience during its business continuity to serve as key parameters for measuring the expected credit losses on trade receivables and long-term receivables, the Group determines the expected credit loss rates for portfolio-classified trade receivables and long-term receivables by adopting ageing matrices. When determining the ECL rate, the Group uses internal historical credit loss experience and other data, and adjusts the historical data based on current conditions and forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(27) Critical accounting estimates and judgements *(Continued)*

(b) Critical accounting estimates and key assumptions *(Continued)*

(i) Measurement of expected credit loss on trade receivables and long-term receivables (Continued)

When considering forward-looking information, the Group has considered the different macroeconomic scenarios. For the six months ended June 30, 2026, the weights of the 'baseline', 'adverse', and 'favorable' economic scenarios are 60%, 20% and 20% (2024: 60%, 20% and 20%). The Group regularly monitors and reviews important macroeconomic assumptions and parameters related to the calculation of expected credit loss, including the risk of economic downturn, external market environment, technological environment, changes in customer conditions, gross domestic product and consumer price index.

(ii) Share-based payments

To determine the share-based payments during the vesting period, the Group is required to estimate the date of the successful initial public offering of the Company's shares and the number of grantees who will continue to be employed by the Group at the end of the vesting period. Changes in such estimates and assumptions may have a material impact on the timing and amount of vesting restricted stock, which may further have a material impact on share-based expenses recognised for each year.

(iii) Accounting estimates on impairment of long-term equity investments and fixed assets

The Group conducted impairment test on long-term equity investments and fixed assets with impairment indicators. If the result of the impairment test indicates that the recoverable amount of such assets are less than its carrying amount, a provision for asset impairment and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of the fair value less the cost of disposal and the present value of the future cash flows expected to be derived from the asset. These determinations require the use of accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(27) Critical accounting estimates and judgements *(Continued)*

(b) Critical accounting estimates and key assumptions (Continued)

(iii) Accounting estimates on impairment of long-term equity investments and fixed assets (Continued)

When the present value of expected future cash flows is adopted by the Group to determine the recoverable amount, due to the uncertainty of the economic environment in which the relevant regions are located, there is also uncertainty in the income growth rate, gross profit margin, and pre-tax discount rate used in the calculation of the present value of expected future cash flows. If the management revises the growth rate used in the future cash flow calculation of the relevant asset group, and the revised growth rate is lower than the current growth rate, the Group needs to increase the provision for impairment of the relevant assets. If the management revises the gross profit margin that is used in the calculation of future cash flows for the relevant asset groups, and the revised gross profit margin is lower than the current gross profit margin, the Group would need to increase the provision for impairment of the related assets. If the management revises the pre-tax discount rate used for cash flow discounting, and the revised pre-tax discount rate is higher than the currently used discount rate, the Group would need to increase the provision for impairment of related assets. If the actual growth rate and gross profit margin are higher than the management's estimate or the actual pre-tax discount rate is lower than the management's estimate, the Group shall not reverse the impairment loss of related asset that have been previously provisioned.

(iv) Accounting estimate of provision for decline in the value of inventories

The inventories of the Group are measured at the lower of cost and net realisable value. The management of the Group makes significant estimates to determine the net realizable value of inventory. In determining the net realizable value of inventories, the Group evaluates signed sales contracts and orders, selling prices of the same or similar type of products recently sold, cost to be incurred from inventory to completion and cost fulfilment costs, estimated selling expenses and related taxes. If the conditions affecting the net realizable value of inventories deteriorate, additional provision for impairment may be required.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(27) Critical accounting estimates and judgements *(Continued)*

(b) Critical accounting estimates and key assumptions *(Continued)*

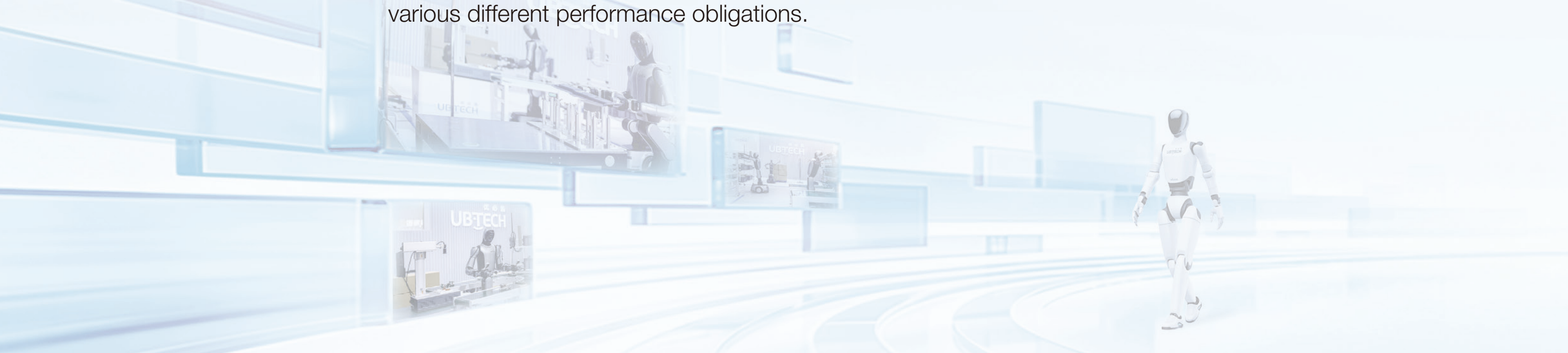
(v) Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. The recoverable amount of group of assets or group of asset combinations containing goodwill is the higher of the net amount after deducting disposal expenses from the fair value of group of assets or group of asset combinations and the present value of its expected future cash flows, and accounting estimates need to be used for determination.

When the present value of expected future cash flows is adopted by the Group to determine the recoverable amount, due to the uncertainty of the economic environment in which the relevant regions are located, there is also uncertainty in the income growth rate, gross profit margin, and pre-tax discount rate used in the calculation of the present value of expected future cash flows. If the management revises the growth rate used in the calculation of future cash flows for group of assets or group of asset combinations, and the revised growth rate is lower than the current growth rate, the Group needs to increase impairment provisions for goodwill. If the management revises the gross profit margin used in the calculation of future cash flows for group of assets or group of asset combinations, and the revised gross profit margin is lower than the current gross profit margin, the Group needs to increase impairment provisions for goodwill. If the management revises the pre-tax discount rate used for cash flow discounting, and the revised pre-tax discount rate is higher than the currently used discount rate, the Group needs to increase the provision for impairment of goodwill. If the actual growth rate and gross profit margin are higher than the management's estimate or the actual pre-tax discount rate is lower than the management's estimate, the Group shall not reverse the impairment loss of goodwill that has been previously provisioned.

(vi) Revenue from customer contracts with multiple performance obligations

For contracts containing different performance obligations, the Group allocates the transaction price among the different performance obligations according to the relative proportion of individual selling price of each performance obligation. The Group determines standalone selling prices of performance obligations based on the prices charged to customers when the Group sells performance obligations separately in similar circumstances to similar customers. If the standalone selling price is not directly observable, it is estimated using cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. The amount of revenue recognised by the Group may be affected by changes in the assumptions and estimates made by the Group in estimating the relative selling prices of various different performance obligations.



NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(27) Critical accounting estimates and judgements *(Continued)*

(b) Critical accounting estimates and key assumptions (Continued)

(vii) Income tax and deferred income tax

The Group is subject to income taxes in numerous jurisdictions. There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will affect the income tax expenses and the amount of deferred income tax in the period in which such determination is made.

As disclosed in Note 3, some subsidiaries of the Group are high-tech enterprises. The validity period of the high-tech enterprise qualification is 3 years. Upon expiration, application for high-tech enterprise should be submitted again to the relevant government authorities. Based on the past experience of reassessment for high-tech enterprise upon expiration and the actual condition of the subsidiaries, the Group considers that the subsidiaries are able to obtain the qualification for high-tech enterprises in future years, and therefore a preferential tax rate of 15% is used to calculate the corresponding deferred income tax. If in the future some subsidiaries fail to obtain re-certification after the expiration of the high-tech enterprise qualification, the income tax will be calculated at the statutory tax rate of 25%, which will affect the recognised deferred income tax assets, deferred income tax liabilities and income tax expenses.

For the deductible losses that can be carried forward in subsequent years, the Group shall recognise the corresponding deferred income tax assets within the limit of the taxable income that is likely to be used to deduct the deductible losses in the future period. The taxable income obtained in the future period includes the taxable income that the Group can realise through normal production and operation activities, and the taxable income that will increase when the taxable temporary difference generated in the previous period is reversed in the future period. The Group needs to apply estimates and judgements in determining the time and amount of taxable income in the future. If there is any difference between the actual and the estimates, adjustment may be made to the carrying amount of deferred income tax assets.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

(28) Significant Changes in Accounting Policies

In 2025, the Ministry of Finance issued several Q&As on the Implementation of Accounting Standards for Business Enterprises (hereinafter referred to as the "**Implementation Q&As**"). The accounting policies consistently adopted by the Group are consistent with the principles set out in the aforesaid Implementation Q&As, which have no material impact on the financial statements of the Group and the Company.

In addition, in December 2025, the Ministry of Finance issued Interpretation No. 19 of Accounting Standards for Business Enterprises, which became effective on January 1, 2026. The Group and the Company expect that the adoption of such Interpretation will have no material impact on their financial statements.

3 TAXATION

Category	Tax base	Tax rate
Enterprise income tax (a)	Taxable income	15%, 16.5%, 20%, 25%
Value-added tax (b)	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible input VAT of the current period)	6%, 9%, 13%
City maintenance and construction tax	Taxable amount of VAT	5%, 7%
Educational surcharge	Taxable amount of VAT	3%
Local education surcharges	Taxable amount of VAT	2%
Land use tax	Actual area of land used	Applicable differential tax amount
Urban land use tax	Actual area of land used	Applicable differential tax amount

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

3 TAXATION *(Continued)*

(a) According to the Enterprise Income Tax Law of the People's Republic of China and the Regulations on the Implementation of Enterprise Income Tax Law, except for a few subsidiaries in the Chinese Mainland that enjoy a preferential tax rate of 15% due to the certification of high-tech enterprises, the remaining subsidiaries mainly apply an income tax rate of 25%. In 2024, the Company, Shanghai UBJ Education Technology Co., Ltd. and Wuxi Uqi Intelligent Technology Co., Ltd. obtained the Certificate of High-tech Enterprises. In 2023, UBTECH Software Technology (Shenzhen) Co., Ltd. obtained the Certificate of High-tech Enterprises, which is valid for 3 years. The enterprise income tax rate applicable to the Company, Shanghai UBJ Education Technology Co., Ltd., UBTECH Software Technology (Shenzhen) Co., Ltd. and Wuxi Uqi Intelligent Technology Co., Ltd. for the six months ended June 30, 2026 is 15% (for the six months ended June 30, 2025: 15%).

Certain subsidiaries of the Group are micro and small enterprises. Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises and Individual Business Operators (Announcement No. 6 of 2023 of the Ministry of Finance and the State Administration of Taxation), the Announcement on Tax and Fee Policies to Further Support the Development of Small and Micro Enterprises and Individual Business Operators (Announcement No. 12 of 2023 of the Ministry of Finance and the State Administration of Taxation) and the Announcement of the State Administration of Taxation on Issues Concerning the Implementation of Preferential Income Tax Policies to Support the Development of Micro and Small Enterprises and Individual Business Operators (Announcement No. 8 of 2021 of the State Administration of Taxation), for those eligible subsidiaries, the portion of their annual taxable profit not exceeding RMB3 million shall be included in taxable profit at 25% and enterprise income tax shall be levied at a rate of 20%.

The subsidiaries of the Company established in Hong Kong are subject to a 16.5% income tax rate.

(b) According to the Announcement on Deepening the Relevant Policies of VAT Reform (《關於深化增值稅改革有關政策的公告》) issued by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs (Announcement [2019] No. 39 of Ministry of Finance, the State Taxation Administration and the General Administration of Customs) and the relevant regulations, as of April 1, 2019, the value-added tax rate applicable to the Group's sales of goods is 13% and to the service fees income is 6%.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Cash at bank and on hand

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash on hand	**212**	82
Cash at bank	**2,346,516**	4,903,045
Other cash balances	**34,485**	15,478
	2,381,213	4,918,605

As at June 30, 2026, the Group's restricted cash amounted to RMB55,587,000 (December 31, 2025: RMB30,725,000), which mainly consists of security deposits, pledged deposits, and regulated account funds. Other cash balances are mainly funds deposited by the Group on third-party payment platforms.

(2) Financial assets held for trading

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Investments in equity instruments held for trading	**30,000**	–
Wealth management products	**140,000**	–
Structured deposits and income not yet due	**100,055**	50,014
	270,055	50,014

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(3) Notes receivable

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Bank acceptance notes	**10,464**	39,764

(a) As at June 30, 2026, the Group did not have notes receivable pledged.

As at June 30, 2026, notes endorsed or discounted but not due, presented as notes receivables of the Group are as follows:

	Derecognised	**Not derecognised**
Bank acceptance notes	**51,374**	**4,475**

(b) ***Provision for bad debts***

The notes receivable of the Group are generated from daily business activities such as sales of goods and provision of services, regardless of whether there is a significant financing component, the Group calculates loss provisions in accordance with the expected credit loss throughout the lifetime. As at June 30, 2026 and December 31, 2025, the Group assessed that the expected credit loss of notes receivable were not significant.

(4) Accounts receivables

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Accounts receivables	**2,225,064**	1,841,662
Less: Provision for bad debts	**(545,457)**	(539,438)
	1,679,607	1,302,224

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(4) Accounts receivables *(Continued)*

(a) The ageing of accounts receivable based on their recording dates is analysed below:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Within 6 months	**957,048**	890,612
6 months to 1 year	**500,116**	167,170
1 to 2 years	**225,449**	272,544
2 to 3 years	**294,958**	169,068
Over 3 years	**247,493**	342,268
	2,225,064	1,841,662

(b) ***Provision for bad debts***

For the accounts receivables, regardless of whether there is a significant financing component, the Group calculates loss provisions in accordance with the expected credit loss throughout the lifetime.

The analysis of provision for bad debts for accounts receivables by category is as follows:

	June 30, 2026				December 31, 2025			
	Book balance		**Provision for bad debts**		Book balance		Provision for bad debts	
	Amount	**% of total balance**	**Amount**	**% of provision**	Amount	% of total balance	Amount	% of provision
Provision on an individual basis (i)	**677,545**	**30%**	**(455,655)**	**67.25%**	590,345	32%	(455,351)	77.13%
Provision on a collective basis (ii)	**1,547,519**	**70%**	**(89,802)**	**5.80%**	1,251,317	68%	(84,087)	6.72%
	2,225,064	**100.00%**	**(545,457)**	**24.51%**	1,841,662	100%	(539,438)	29.29%

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(4) Accounts receivables *(Continued)*

(b) Provision for bad debts *(Continued)*

(i) Provision for bad debts made on an individual basis for accounts receivable is analysed as follows:

For the six months ended June 30, 2026, the accounts receivable overdue over one year of the Group are approximately RMB677,545,000 (December 31, 2025: RMB590,345,000). The Group provided estimated credit loss on an individual basis as its credit risk characteristics were significantly different. The Group has evaluated the cash flows that might be collected under different scenarios and recognised the difference of RMB455,655,000 (December 31, 2025: RMB455,351,000), of which RMB71,035,000 (December 31, 2025: RMB75,220,000) was included in profit or loss for the current period, between the present value of the cash flows that might be collected and the cash flows receivable according to the contract as provision for bad debts.

(ii) Provision for bad debts made on a collective basis for accounts receivable is analysed as follows:

Portfolio 1 Government and state-owned enterprise customers:

	June 30, 2026		
	Book balance	Provision for bad debts	
	Amount (Unaudited)	Life time expected credit loss rate	Amount (Unaudited)
Within 1 year	539,704	3.54%	(19,094)
1 to 2 years	68,542	6.12%	(4,196)
2 to 3 years	304	6.91%	(21)
Over 3 years	1,437	39.53%	(568)
	609,987		(23,879)

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(4) Accounts receivables *(Continued)*

(b) Provision for bad debts (Continued)

(ii) Provision for bad debts made on a collective basis for accounts receivable is analysed as follows: (Continued)

	December 31, 2025		
	Book balance	Provision for bad debts	
	Amount (Audited)	Lifetime expected credit loss rate	Amount (Audited)
Within 1 year	551,602	4.95%	(27,280)
1 to 2 years	159,399	8.63%	(13,759)
2 to 3 years	25,012	10.10%	(2,525)
Over 3 years	1,566	19.22%	(301)
	737,579		(43,865)

Portfolio 2 Non-government and non-state-owned enterprise customers:

	June 30, 2026		
	Book balance	**Provision for bad debts**	
	Amount (Unaudited)	**Lifetime expected credit loss rate**	**Amount (Unaudited)**
Within 1 year	**690,735**	**7.42%**	**(51,276)**
1 to 2 years	**19,229**	**37.42%**	**(7,196)**
2 to 3 years	**1,449**	**53.35%**	**(773)**
Over 3 years	**178**	**84.83%**	**(151)**
	711,591		**(59,396)**

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(4) Accounts receivables *(Continued)*

(b) Provision for bad debts (Continued)

(ii) Provision for bad debts made on a collective basis for accounts receivable is analysed as follows: (Continued)

	December 31, 2025		
	Book balance	Provision for bad debts	
	Amount (Audited)	Lifetime expected credit loss rate	Amount (Audited)
Within 1 year	291,705	4.56%	(13,296)
1 to 2 years	43,447	31.98%	(13,896)
2 to 3 years	1,196	55.77%	(667)
Over 3 years	131	100.00%	(131)
	336,479		(27,990)

Portfolio 3 External related parties of the Group:

	June 30, 2026		
	Book balance	Provision for bad debts	
	Amount (Unaudited)	Lifetime expected credit loss rate	Amount (Unaudited)
Within 1 year	**199,113**	**0.74%**	**(1,475)**
1 to 2 years	**18,046**	**11.69%**	**(2,110)**
2 to 3 years	**8,073**	**27.66%**	**(2,233)**
Over 3 years	**709**	**100.00%**	**(709)**
	225,941		**(6,527)**

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(4) Accounts receivables *(Continued)*

(b) ***Provision for bad debts*** *(Continued)*

(ii) *Provision for bad debts made on a collective basis for accounts receivable is analysed as follows: (Continued)*

Portfolio 3 External related parties of the Group:

	December 31, 2025		
	Book balance	Provision for bad debts	
	Amount (Audited)	Lifetime expected credit loss rate	Amount (Audited)
Within 1 year	154,925	1.28%	(1,982)
1 to 2 years	13,552	26.37%	(3,574)
2 to 3 years	8,192	74.29%	(6,086)
Over 3 years	590	100.00%	(590)
	177,259		(12,232)

(iii) The provision for bad debts for the period amounted to RMB125,679,000, of which the amount of provision for bad debts recovered or reversed was RMB48,895,000, and the balance of the corresponding accounts was RMB1,223,455,000.

(c) Accounts receivable written off for the Current Period amounted to RMB70,765,000.

(d) There were no accounts receivable pledged to banks as security as at June 30, 2026.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(5) Prepayments

	June 30, 2026		December 31, 2025	
	Amount	**% of total balance**	Amount	% of total balance
Within 1 year	**127,378**	**72.94%**	80,739	64.47%
1 to 2 years	**18,033**	**10.33%**	23,602	18.85%
2 to 3 years	**22,354**	**12.80%**	16,471	13.15%
Over 3 years	**6,862**	**3.93%**	4,414	3.53%
	174,627	**100.00%**	125,226	100.00%

As at June 30, 2026, prepayments aged over a year amounted to RMB47,249,000 (December 31, 2025: RMB44,487,000), which were primarily prepayments to suppliers. Since the counterparties have not yet delivered the goods, the payment has not been settled.

(6) Other receivables

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Deposits and guarantees receivable (a)	**17,003**	116,953
Receivable for equity transfer	**10,216**	10,543
Advances to employees	**5,092**	1,920
Others	**9,524**	7,427
	41,835	136,843
Less: Provision for bad debts	**(9,479)**	(8,497)
	32,356	128,346

(a) As at June 30, 2026, the Group's deposits and guarantees receivable mainly include deposits for guarantees of product quality, construction in progress and rental deposits.

(b) There is no situation in the Group where funds were classified as other receivables due a centralized fund management.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(6) Other receivables *(Continued)*

(c) The aging analysis of other receivables is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Within 1 year	**16,130**	112,675
1 to 2 years	**15,148**	12,333
2 to 3 years	**2,342**	2,165
Over 3 years	**8,215**	9,670
	41,835	136,843

(d) ***Changes in loss allowance and its account balance***

The analysis of provision for bad debts for other receivables by stage is as follows:

	June 30, 2026				December 31, 2025			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	% of provision	Amount	% of total balance	Amount	% of provision
Stage 1	**32,775**	**78%**	**(419)**	**1.28%**	128,859	94%	(513)	0.40%
Stage 3	**9,060**	**22%**	**(9,060)**	**100.00%**	7,984	6%	(7,984)	100.00%
	41,835	**100%**	**(9,479)**	**22.66%**	136,843	100%	(8,497)	6.21%

	Stage 1		Stage 3		Total
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision for bad debts
December 31, 2025	128,859	(513)	7,984	(7,984)	(8,497)
Transfer to Stage 3 for the year	(254)	(5)	254	5	–
Net changes for the year	(95,830)	89	822	(1,071)	(982)
June 30, 2026	**32,775**	**(419)**	**9,060**	**(9,060)**	**(9,479)**

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(6) Other receivables *(Continued)*

(d) Changes in loss allowance and its account balance (Continued)

For the six months ended June 30, 2026 and the six months ended June 30, 2025, the changes in provision for bad debts caused by the conversion between the Stage 1 and Stage 3 are not significant, and the changes in provision for bad debts caused by changes in the parameter data used for expected credit loss are also not significant.

As at June 30, 2026 and December 31, 2025, the Group had no other receivables in the Stage 2. Other receivables in the Stage 1 and Stage 3 are analysed as follows:

(i) As at June 30, 2026, the analysis of other receivables for single provision for bad debts is as follows:

Stage 3	Book balance	Lifetime ECL rate	Provision for bad debts	Reasons
Deposits and guarantees receivable	**3,651**	**100.00%**	**(3,651)**	**Due over one year**
Others	**5,409**	**100.00%**	**(5,409)**	**Due over one year**
	9,060		**(9,060)**	

(ii) As at December 31, 2025, the analysis of other receivables for single provision for bad debts is as follows:

Stage 3	Book balance	Lifetime ECL rate	Provision for bad debts	Reasons
Deposits and guarantees receivable	3,586	100.00%	(3,586)	Due over one year
Others	4,398	100.00%	(4,398)	Due over one year
	7,984		(7,984)	

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(6) Other receivables *(Continued)*

(d) Changes in loss allowance and its account balance *(Continued)*

(iii) As at June 30, 2026 and December 31, 2025, other receivables that are assessed for provision for bad debts on a collective group basis were both in the Stage 1, analysis is as follows:

	June 30, 2026			December 31, 2025		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	% of provision	Amount	Amount	% of provision
Deposits and guarantees receivable	**13,352**	**(236)**	**1.77%**	113,367	(347)	0.31%
Advances to employees	**5,092**	**(49)**	**0.96%**	1,888	(20)	1.06%
Others	**14,331**	**(134)**	**0.94%**	13,604	(146)	1.07%
	32,775	**(419)**	**1.28%**	128,859	(513)	0.40%

(iv) During the period, the single and collective provisions for credit impairment loss amounted to RMB1,375,000, and the amount of provisions for credit impairment loss reversed was RMB357,000.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(7) Inventory

(a) Inventories are classified as follows:

	June 30, 2026			December 31, 2025		
	Book balance (Unaudited)	**Provision for decline in value of inventories (Unaudited)**	**Book value (Unaudited)**	Book balance (Audited)	Provision for decline in value of inventories (Audited)	Book value (Audited)
Raw materials	**207,820**	**(2,581)**	**205,239**	102,469	(2,774)	99,695
Products in progress	**135,138**	**(4,157)**	**130,981**	52,404	(3,524)	48,880
Finished goods	**451,250**	**(23,270)**	**427,980**	298,303	(25,224)	273,079
Goods in transit (i)	**146,603**	**–**	**146,603**	73,488	–	73,488
Contract fulfilment costs (ii)	**74,670**	**–**	**74,670**	81,384	–	81,384
	1,015,481	**(30,008)**	**985,473**	608,048	(31,522)	576,526

(i) The main purpose of goods in transit is for the Group to sign contracts with business partners in order to obtain business opportunities related to the project, and then to send certain of the goods to the local business partner's warehouse in advance. As the control of this part has not yet been transferred to the end customer, it is presented as goods in transit for accounting.

(ii) The account balance of contract fulfilment costs is mainly the direct and indirect expenses incurred in fulfilling logistics project contracts by the Group that have not been carried forward to operating costs as the control has not yet been transferred to the customer. For the six months ended June 30, 2026, the total amortisation of contract fulfilment costs included in operating costs was RMB62,925,000 (for the six months ended June 30, 2025: RMB42,198,000).

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(7) Inventory *(Continued)*

(b) Provision for declines in value of inventories are analysed as follows:

		Increase in the current period	Decrease in the current period			
	December 31, 2025 (Audited)	Accruals (Unaudited)	Written off with retirement (Unaudited)	Written off with sales (Unaudited)	Consumption and Resale (Unaudited)	**June 30, 2026 (Unaudited)**
Raw materials	2,774	205	(155)	–	(243)	**2,581**
Products in progress	3,524	738	(102)	(1)	(2)	**4,157**
Finished goods	25,224	2,828	(1,328)	(2,743)	(711)	**23,270**
	31,522	3,771	(1,585)	(2,744)	(956)	**30,008**

(c) The provision for decline in value of inventories is as follows:

	Specific basis for determining net realisable value	**Reason for reversal or write-off of provision for decline in value of inventories in the year**
Raw materials	Measured at the lower of cost and net realisable value	Consumption or scrapping
Products in progress	Measured at the lower of cost and net realisable value	Consumption or scrapping
Finished goods	Measured at the lower of cost and net realisable value	Retirement or sell
Contract fulfilment costs	Measured at the lower of cost and net realisable value	Not applicable
Goods in transit	Measured at the lower of cost and net realisable value	Not applicable

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(8) Other current assets

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Credit tax available for deduction	**117,784**	114,491
Prepaid tax	**13,439**	14,998
Return cost receivable	**1,867**	6,764
	133,090	136,253

(9) Long-term receivables

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Goods sold on hire purchase	**271,438**	207,950
Less: Provision for bad debts	**(24,255)**	(10,987)
	247,183	196,963

The analysis of long-term receivables by category is as follows:

	June 30, 2026				December 31, 2025			
	Accounts balance		**Provision for bad debts**		Accounts balance		Provision for bad debts	
	Amount	**% of total balance**	**Amount**	**% of provision**	Amount	% of total balance	Amount	% of provision
Provision on an individual basis (i)	**29,245**	**11%**	**(14,623)**	**50.00%**	–	0%	–	0.00%
Provision on a collective basis (ii)	**242,193**	**89%**	**(9,632)**	**3.98%**	207,950	100%	(10,987)	5.28%
	271,438	**100.00%**	**(24,255)**	**8.94%**	207,950	100%	(10,987)	5.28%

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(9) Long-term receivables *(Continued)*

The provision for bad debts of long-term receivables was all provided on a portfolio basis, analysed as follows:

	June 30, 2026			December 31, 2025		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit loss rate	Amount	Amount	Lifetime expected credit loss rate	Amount
Government and state-owned enterprise customers	**227,957**	**3.66%**	**(8,334)**	193,023	5.34%	(10,307)
Non-government and non-state-owned enterprise customers	**14,236**	**9.12%**	**(1,298)**	14,927	4.56%	(680)
	242,193	**3.98%**	**(9,632)**	207,950	5.28%	(10,987)

The amount of provision for bad debts for the year was RMB18,234,000, of which the amount of provision for bad debts recovered or reversed was RMB4,966,000.

(10) Long-term equity investments

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Joint ventures Investments in unlisted companies	**7,078**	7,764
Associates investments in unlisted companies	**170,630**	199,891
	177,708	207,655
Less: Provision for impairment	**(58,444)**	(58,444)
	119,264	149,211

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(10) Long-term equity investments *(Continued)*

	December 31, 2025	Increase Investment	Share of net loss under equity method	Others	**June 30, 2026**	Provision for impairment
Beijing Humanoid Robot Innovation Center Co., Ltd.	138,658	–	(33,463)	–	**105,195**	–
Suzhou Youmai Robot Co., Ltd. (蘇州優麥機器人有限責任公司)	2,789	–	(343)	–	**2,446**	–
Yixing Youbixing Education Technology Co., Ltd.	7,764	–	(686)	–	**7,078**	–
Liuzhou Xingyao Qihang Private Equity Investment Partnership (Limited Partnership) (a)	–	4,545	–	–	**4,545**	–
Other associates and joint ventures (b)	58,444	–	–	–	**58,444**	(58,444)
	207,655	4,545	(34,492)	–	**177,708**	(58,444)

The Group accounted for all the above-mentioned equity investments under the equity method, and the directors of the Company, after the assessment, were of opinion that the above associates have no material impact on the Group's financial statements.

(a) On January 22, 2026, the Group entered into a partnership agreement with Guangxi Liuzhou Industrial Investment and Development Group Co., Ltd.* (廣西柳州市產業投資發展集團有限公司) and Liuzhou Industrial Guidance Fund Investment Management Company Limited* (柳州市產業引導基金投資管理有限公司) to establish the partnership enterprise. In accordance with the terms of the partnership agreement, the total capital contribution of all partners to the partnership enterprise amounts to RMB660,000,000, of which the Company will contribute RMB300,000,000, and as of June 30, 2026, the Group had actually paid RMB4,545,000.

(b) In prior years, the Group made investments of RMB52,222,000, RMB3,222,000 and RMB3,000,000 in Sichuan UBTECH City Sports Industry Development Co., Ltd., Shenzhen Yiersan Technology Co., Ltd. and Sichuan Shanyuan Sports Industry Development Co., Ltd., respectively, totalling RMB58,444,000. Due to poor operation and management of the investees, which resulted in their liabilities exceeding their assets, full impairment provisions were recognised in prior years.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(11) Other equity investments

Investments in other equity instruments are the Group's investment in unlisted equity at fair value through other comprehensive income whose fair value measurement is classified under Level 3, and the table below sets out its fair value changes:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Opening balance for the year	**66,987**	49,795
Increase in the current year	**12,714**	19,350
Changes in fair value	**(1,168)**	(2,158)
Closing balance for the year	**78,533**	66,987

During the six months ended June 30, 2026, the Group made additional equity investments in certain unlisted companies, over which neither control nor significant influence can be exercised at the shareholders' meeting and the board of directors; therefore, such investments are stated as investment in other equity instruments.

During the six months ended June 30, 2026, the Group had no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy classification.

For the six months ended June 30, 2026, the Group's financial assets at fair value through other comprehensive income increased or decreased 10% with other factors remaining unchanged, there is no material impact on the Group's other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(12) Right-of-use assets

	Houses and buildings
Original price	
December 31, 2025	193,182
Increase in the current period	
New lease contracts	12,468
Lease change	(50)
Early termination of leases	(1,803)
June 30, 2026	**203,797**
Accumulated depreciation	
December 31, 2025	151,935
Accruals	12,658
Early termination of leases	(1,703)
June 30, 2026	**162,890**
Book value	
June 30, 2026 (Unaudited)	**40,907**
December 31, 2025 (Audited)	41,247

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(13) Fixed assets

	Houses and buildings	Machinery and equipment	Office equipment and motor vehicles	Total
Cost				
December 31, 2025	154,382	185,099	92,005	431,486
Increase in the current period				
Acquisitions and business combination not under common control	366,020	158,655	16,835	541,510
Transfer from construction in progress	91,379	671	20	92,070
Decrease in the current period				
Disposal and other decrease	–	(3,812)	(1,146)	(4,958)
June 30, 2026	**611,781**	**340,613**	**107,714**	**1,060,108**
Accumulated depreciation				
December 31, 2025	5,153	136,043	48,547	189,743
Increase in the current period				
Accruals	5,142	16,417	9,701	31,260
Decrease in the current period				
Disposal and other decrease	–	(3,118)	(1,075)	(4,193)
June 30, 2026	**10,295**	**149,342**	**57,173**	**216,810**
Carrying amount				
June 30, 2026 (Unaudited)	**601,486**	**191,271**	**50,541**	**843,298**
December 31, 2025 (Audited)	149,229	49,056	43,458	241,743

(i) For the six months ended June 30, 2026, depreciation of fixed assets recognised amounted to RMB31,260,000 (for the six months ended June 30, 2025: RMB13,755,000), of which RMB15,356,000, RMB1,328,000, RMB6,152,000 and RMB8,424,000 (for the six months ended June 30, 2025: RMB6,096,000, RMB701,000, RMB4,525,000 and RMB2,433,000) has been charged in cost of sales, selling expenses, general and administrative expenses, and research and development expenses, respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(14) Construction in progress

Names of projects	December 31, 2025 (Audited)	Increase in the current period	Transfer to fixed assets in the current period	**June 30, 2026 (Unaudited)**	Accumulated capitalized borrowing costs	Including: Capitalized borrowing costs this period	Borrowing cost capitalizing rate in this period	Sources of funds
Shenzhen headquarters building	1,061,866	55,675	–	**1,117,541**	(178,798)	15,766	2.57%	Borrowings/self-funding
Hangzhou 2nd headquarters building	162,561	3,342	–	**165,903**	14,624	1,196	2.57%	Borrowings/self-funding
Hangzhou Lin'an infrastructure project	179,127	37,481	–	**216,608**	5,102	1,189	2.57%	Borrowings/self-funding
Wuxi UBTECH Industrial Robot Innovation Center Construction Project	160,656	20,244	–	**180,900**	5,189	1,328	2.57%	Borrowings/self-funding
Kunming industrial park	73,189	25,734	–	**98,923**	6,872	655	2.57%	Borrowings/self-funding
UBTECH Liuzhou "3+2" National Headquarters Project	103,651	46,962	(91,379)	**59,234**	3,651	1,047	2.57%	Borrowings/self-funding
Others	1,089	3,650	(691)	**4,048**	10	1	2.57%	Borrowings/self-funding
	1,742,139	193,088	(92,070)	**1,843,157**	214,246	21,182		

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(15) Intangible assets

	Land use rights	Customer contracts	Office software	Patent technologies and trademarks	Total
Cost					
December 31, 2025	523,568	8,654	32,924	1,474	566,620
Increase in the current period					
Acquisitions and business combination not under common control	151,030	61,800	11,028	86,100	309,958
June 30, 2026	**674,598**	**70,454**	**43,952**	**87,574**	**876,578**
Accumulated amortisation					
December 31, 2025	106,382	6,955	25,334	931	139,602
Increase in the current period					
Accruals	8,768	1,405	5,051	2,149	17,373
June 30, 2026	**115,150**	**8,360**	**30,385**	**3,080**	**156,975**
Provision for impairment					
December 31, 2025	–	1,699	–	–	1,699
June 30, 2026	**–**	**1,699**	**–**	**–**	**1,699**
Net carrying amount					
June 30, 2026 (Unaudited)	**559,448**	**60,395**	**13,567**	**84,494**	**717,904**
December 31, 2025 (Audited)	417,186	–	7,590	543	425,319

During the current period, the amortisation of intangible assets included in construction in progress, selling expenses, general and administrative expenses and research and development expenses amounted to RMB7,741,000, RMB35,000, RMB8,976,000 and RMB621,000 respectively (for the six months ended June 30, 2025: RMB7,286,000, RMB1,069,000, RMB3,538,000 and RMB182,000).

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(15) Intangible assets *(Continued)*

On June 30, 2026, land use rights with carrying amount of RMB284,851,000 (cost: RMB381,092,000) (December 31, 2025: carrying amount of RMB268,055,000 (cost: RMB357,410,000)) were pledged as collateral for a long-term loan of RMB534,613,000 (December 31, 2025: a long-term loan of RMB500,096,000) (note 4 (28)).

(16) Goodwill

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Goodwill	**1,199,097**	75,587
Less: Provision for impairment	**(75,587)**	(75,587)
	1,123,510	–

The goodwill arising from the Group's acquisition of its subsidiaries Shanghai UBJ Education Technology Co., Ltd. (上海優必傑教育科技有限公司) ("**Shanghai UBJ**") and Jiangsu Tianhui Science and Technology Development Company Limited (江蘇天慧科技開發有限公司) ("**Jiangsu Tianhui**") in 2022 had already been fully impaired in prior years; the increase in goodwill during the current year is mainly attributable to the acquisition of a 43.01% equity interest in Fenglong Electric (Note 5(1)).

The Group normally performs impairment testing on goodwill at the end of each year and there is no indication that goodwill as of June 30, 2026 is impaired.

(17) Long-term prepaid expenses

	December 31, 2025	Increase in the current period	Amortisation in the current period	Other decreases	**June 30, 2026**
Improvement to right-of-use assets	24,251	8,698	(8,657)	(342)	**23,950**

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(18) Other non-current assets

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Time deposits more than one year	**30,000**	30,000
Prepayment for construction in progress and other fixed assets	**32,505**	13,439
Credit tax available for deduction	**42,055**	29,509
	104,560	72,948

(19) Provision for asset impairment and losses

	December 31, 2025 (Audited)	Increase in the current period	Decrease in the current period			**June 30, 2026 (Unaudited)**
			Reversal	Write-off/ charge-off	Others	
Provision for bad debts	539,438	125,679	(48,895)	(70,765)	–	**545,457**
Including: Provision on an individual basis	455,351	69,775	(23,469)	(70,731)	24,729	**455,655**
Provision on a collective basis	84,087	55,904	(25,426)	(34)	(24,729)	**89,802**
Provision for bad debts of other receivables	8,497	1,375	(357)	(36)	–	**9,479**
Provision for bad debts of long-term receivables	10,987	18,234	(4,966)	–	–	**24,255**
Provision for declines in the value of inventories	31,522	3,771	–	(5,285)	–	**30,008**
Impairment of long-term equity investment	58,444	–	–	–	–	**58,444**
Provision for impairment of goodwill	75,587	–	–	–	–	**75,587**
Provision for impairment of intangible assets	1,699	–	–	–	–	**1,699**
	726,174	149,059	(54,218)	(76,086)	–	**744,929**

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(20) Short-term borrowings

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Secured, pledged and guaranteed borrowings (a)	**–**	15,022
Guaranteed borrowings (b)	**371,255**	507,836
Credit borrowings	**12,001**	100,000
	383,256	622,858

(a) As at June 30, 2026, there were no secured, pledged and guaranteed bank borrowings. As at December 31, 2025, the secured, pledged and guaranteed bank borrowings of the Group RMB15,022,000 were secured by certain land use rights of the Group (note 4 (15)) as collateral, and pledged by 100% equity interest of a subsidiary Shenzhen UBTECH Technology Industrial Co., Ltd. and 16 patent rights independently developed by the Group as pledges, and guaranteed by the Company.

(b) As at June 30, 2026, the guaranteed bank borrowings of RMB371,255,000 (December 31, 2025: RMB507,836,000) were obtained by the Group which were guaranteed by the parent and other subsidiaries.

As at June 30, 2026, the Group had no overdue short-term borrowings bearing interest ranging from 2.35% to 4.96% (December 31, 2025: 2.60% to 4.96%).

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(21) Accounts payables

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Payables for purchase of raw materials	**862,353**	648,212
Payables for outsourcing labour costs	**19,707**	51,186
Others	**1,735**	2,046
	883,795	701,444

The ageing analysis of accounts payables based on invoice dates is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Within 6 months	**721,021**	373,226
6 months to 1 year	**33,521**	154,778
1 to 2 years	**77,835**	121,580
Over 2 years	**51,418**	51,860
	883,795	701,444

As at June 30, 2026, accounts payable over one year amounted to RMB129,253,000 (December 31, 2025: RMB173,440,000), which were mainly the payables for procurement related to certain logistics projects, part of which will be settled upon inspection and acceptance due to their long construction period.

(22) Contract liabilities

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Advance for goods and labour services	**133,345**	91,119

Contract liabilities of RMB38,198,000 that was included in carrying amount on December 31, 2025 had been transferred to revenue during the six months ended June 30, 2026.

NOTES TO THE FINANCIAL STATEMENTS

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(23) Employee benefits payable

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Short-term employee benefits payable (a)	**79,570**	126,471
Defined contribution plans payable (b)	**12,025**	11,907
Termination benefits payable (c)	**857**	1,071
	92,452	139,449

(a) *Short-term employee benefits*

	December 31, 2025 (Audited)	Increase in the current period	Decrease in the current period	**June 30, 2026 (Unaudited)**
Wages and salaries, bonus, allowances and subsidies	112,651	380,151	(427,253)	**65,549**
Staff welfare	–	10,446	(10,446)	**–**
Social security contributions	5,953	16,643	(16,477)	**6,119**
Including: Medical insurance	5,375	14,618	(14,476)	**5,517**
Work injury insurance	151	1,016	(981)	**186**
Maternity insurance	427	1,009	(1,020)	**416**
Housing funds	7,867	21,451	(21,416)	**7,902**
Labour union funds and employee education funds	–	369	(369)	**–**
	126,471	429,060	(475,961)	**79,570**

NOTES TO THE FINANCIAL STATEMENTS

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(23) Employee benefits payable *(Continued)*

(b) Defined contribution plans payable

	December 31, 2025 (Audited)	Increase in the current period	Decrease in the current period	**June 30, 2026 (Unaudited)**
Basic pension insurance	11,781	43,468	(43,347)	**11,902**
Unemployment insurance	126	1,807	(1,810)	**123**
	11,907	45,275	(45,157)	**12,025**

The Group paid pension insurance and unemployment insurance to relevant institutions monthly according to the payment base and proportion specified by the local labour and social security department, and the payment cannot be used to offset the amount that the Group shall pay for employees in the future.

(c) Termination benefits payable

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Other termination benefits	**857**	1,071

For the six months ended June 30, 2026, the Group provided other termination benefits of RMB236,000 (for the six months ended June 30, 2025: RMB10,825,000) due to termination of employment relationship.

(24) Taxes payable

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
VAT payable	**28,425**	98,941
Enterprise income tax payable	**96,764**	42,028
Individual income tax payable	**1,218**	4,391
Other taxes payable	**2,468**	477
	128,875	145,837

NOTES TO THE FINANCIAL STATEMENTS

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(25) Other payables

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Accrued expenses (a)	**111,558**	116,131
Payables for the following		
Government grants received (b)	**115,615**	121,523
Payables for the purchase of fixed assets	**238,461**	281,574
Dividends Payable	**6,226**	–
Others	**18,773**	18,316
	490,633	537,544

(a) This amount mainly refers to the withholding of professional service fees, advertising and promotional expenses, etc.

(b) The amount represents government grants received by the Group for which the conditions attached have not yet been met and are therefore accounted for as other payables.

As at June 30, 2026, other payables aging over a year amounted to RMB39,492,000 (December 31, 2025: RMB50,793,000), which are mainly renovation payables and unsettled due to long renovation duration.

(26) Non-current liabilities to be settled within one year

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Long-term borrowings due within one year (note 4 (28))	**127,416**	60,696
Lease liabilities due within one year (note 4 (29))	**22,350**	23,836
	149,766	84,532

(27) Other current liabilities

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Output VAT to be recognised	**223**	–
Refunds payable	**4,985**	13,776
Provision of quality assurance fund for repair service	**47,749**	43,469
	52,957	57,245

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(28) Long-term borrowings

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Secured, pledged and guaranteed borrowings	**534,613**	500,096
Guaranteed borrowings	**79,458**	–
Less: Long-term borrowings due within one year (note 4 (26))	**(127,416)**	(60,696)
	486,655	439,400

As at June 30, 2026, long-term borrowings of RMB534,613,000 (December 31, 2025: RMB500,096,000) were mainly secured by certain land use rights of the Group (note 4 (15)) as collateral, 100% equity interest of Shenzhen UBTECH Technology Industrial Co., Ltd. (深圳市優必選科技實業有限公司), and 16 patent rights of the Group as pledges, and guaranteed by our Company, carrying floating interest rate, payable every three months, and the principal should be fully repaid before June 18, 2031.

(29) Lease liabilities

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Lease liabilities	**46,227**	49,359
Less: Lease liabilities repayable within one year	**(22,350)**	(23,836)
	23,877	25,523

As at June 30, 2026, the Group did not include lease liabilities, as a result, the minimum rental payable in the future for contracts of short-term leases and low-value asset leases that will lead to future cash outflow amounted to RMB1,703,000 (December 31, 2025: RMB1,123,000), both payable within one year.

As at June 30, 2026, there were no lease contracts that the Group had signed but not yet executed.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(30) Deferred income

	December 31, 2025 (Audited)	Increase in the current period	Included in other income in the current period	**June 30, 2026 (Unaudited)**
Assets related government grants	42,982	–	(268)	**42,714**
Government grants related to income	15,273	6,834	(1,384)	**20,723**
	58,255	6,834	(1,652)	**63,437**

(31) Deferred tax assets

(a) The analysis of deductible temporary differences and deductible losses of the Group's unrecognized deferred income tax assets is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Deductible temporary differences	**973,862**	1,009,176
Deductible losses	**7,354,139**	6,883,522
	8,328,001	7,892,698

(b) Deductible losses that are not recognized as deferred tax assets will expire in the following years:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
2026	**202,904**	193,380
2027	**397,383**	384,023
2028	**404,288**	311,301
2029	**1,213,869**	877,628
2030 and after	**5,135,695**	5,117,190
	7,354,139	6,883,522

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(32) SHARE CAPITAL

	December 31, 2025 (Audited)	Issuance of new shares in the current period	June 30, 2026 (Unaudited)
SHARE CAPITAL	**503,401**	**–**	**503,401**

	December 31, 2024 (Audited)	Issuance of new shares in the current period	June 30, 2025 (Unaudited)
SHARE CAPITAL	431,623	10,155	441,778

(33) Capital surplus

	December 31, 2025 (Audited)	Increase in the current period	Decrease in the current period	June 30, 2026 (Unaudited)
Share premium (note 4 (32))	**12,771,289**	**–**	**–**	**12,771,289**
Share-based payment (note 7)	**1,263,571**	**–**	**–**	**1,263,571**
Capital contribution from minority shareholder (a)	**245,924**	**60,798**	**–**	**306,722**
Other changes in the equity of the investee other than comprehensive income and profit distribution accounted for by the equity method (note 4 (10))	**92,585**	**–**	**–**	**92,585**
Others	**(88,880)**	**–**	**–**	**(88,880)**
	14,284,489	**60,798**	**–**	**14,345,287**

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(33) Capital surplus *(Continued)*

	December 31, 2024 (Audited)	Increase in the current period	Decrease in the current period	June 30, 2025 (Unaudited)
Share premium	7,063,233	797,745	–	7,860,978
Share-based payment (note 7)	1,164,271	72,205	–	1,236,476
Capital contribution from minority shareholder	210,880	–	–	38,877
Others	38,877	–	–	210,880
	8,477,261	869,950	–	9,347,211

(a) In May 2026, the minority shareholders of Wuxi Uqi Intelligent Technology Co., Ltd. ("**Wuxi Uqi**"), a subsidiary, made capital contribution of RMB155,000,000 to it, and the Group recognized the increase of capital reserve of RMB60,798,000 and the increase of minority interests of RMB94,202,000;

(34) Treasury shares

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Treasury shares for employee stock ownership scheme	**57,716**	57,716

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(35) Other comprehensive income

	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement for the six months ended June 30, 2026		
	December 31, 2025 (Audited)	Attributable to the parent, after tax	June 30, 2026 (Unaudited)	Incurred amount before income tax (Unaudited)	Attributable to the parent, after tax (Unaudited)	Attributable to minority shareholders, after tax (Unaudited)
Other comprehensive income that will not be subsequently reclassified to profit or loss						
Changes in fair value of other equity investments	(8,363)	(1,168)	(9,531)	(1,168)	(1,168)	–
Items that may be reclassified subsequently to profit or loss						
Translation difference of foreign currency statements	2,163	6,158	8,321	6,158	6,158	–
	(6,200)	4,990	(1,210)	4,990	4,990	–

	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement for the six months ended June 30, 2025		
	December 31, 2024	Attributable to the parent, after tax	June 30, 2025	Incurred amount before income tax	Attributable to the parent, after tax	Attributable to minority shareholders, after tax
Other comprehensive income that will not be subsequently reclassified to profit or loss						
Changes in fair value of other equity investments	(6,205)	(2)	(6,207)	(2)	(2)	–
Items that may be reclassified subsequently to profit or loss						
Translation difference of foreign currency statements	11,723	(10,574)	1,149	(10,574)	(10,574)	–
	5,518	(10,576)	(5,058)	(10,576)	(10,576)	–

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(36) Revenue and cost of sales

	Six months ended June 30, 2026		Six months ended June 30, 2025	
	Revenue	**Cost of sales**	Revenue	Cost of sales
Sales of goods	**1,261,403**	**696,156**	595,588	393,575
Provision of services	**7,727**	**6,096**	25,872	10,573
	1,269,130	**702,252**	621,460	404,148

The Group's revenue and cost of sales breakdown based on the geographical regions and the timing of delivery of goods and provision of services are as follows:

	Six months ended June 30, 2026		
	Chinese mainland	**Hong Kong and overseas**	**Total**
Revenue			
Including: Recognised at a point in time	**984,602**	**276,801**	**1,261,403**
Recognised over time	**7,613**	**114**	**7,727**
	992,215	**276,915**	**1,269,130**

	Six months ended June 30, 2025		
	Chinese mainland	Hong Kong and overseas	Total
Revenue			
Including: Recognised at a point in time	386,698	208,890	595,588
Recognised over time	25,872	–	25,872
	412,570	208,890	621,460

For the six months ended June 30, 2026, the revenue contributed by one customer of the Group which contributed more than 10% of the total revenue of the Group, amounted to RMB308,543,000, representing 24% of the Group's revenue. For the six months ended June 30, 2025, no single customer contributed more than 10% of the total revenue of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(37) Taxes and surcharges

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
City maintenance and construction tax	**2,747**	469
Stamp duty	**4,456**	1,807
Educational surcharge	**1,168**	206
Local education surcharges	**813**	134
Land use tax	**784**	332
Real estate tax	**2,232**	–
Others	**496**	551
	12,696	3,499

(38) SELLING EXPENSES

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Employee benefit expenses	**94,777**	82,466
Advertising and promotion expenses	**84,245**	54,989
Share-based payments	**–**	9,840
Sales commission	**19,900**	24,304
Travelling expenses	**10,151**	13,331
Outsourcing labour costs	**2,459**	3,277
Office expenses	**3,214**	5,979
Depreciation and amortisation	**14,244**	13,317
Entertainment expenses	**5,396**	5,558
Provision of repair and maintenance expenses	**–**	5,030
Others	**3,648**	5,443
	238,034	223,534

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(39) General and administrative expenses

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Share-based payments	**–**	51,631
Employee benefit expenses	**93,570**	72,695
Depreciation and amortisation	**16,947**	15,932
Professional service fees	**11,842**	6,519
Office expenses	**7,944**	5,166
Scrap of inventories	**2,429**	10,524
Entertainment expenses	**3,594**	2,403
Outsourcing labour costs	**783**	3,305
Travelling expenses	**4,407**	3,465
Auditors' remuneration	**385**	64
– Audit services	**385**	64
– Non-audit services	**–**	–
Others	**7,445**	13,398
	149,346	185,102

(40) Research and Development Expenses

	As at June 30, 2026 Six months (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Employee benefit expenses	**241,855**	173,871
Share-based payments	**–**	9,998
Software tools and consumer goods	**9,420**	3,221
Outsourcing labour costs	**2,870**	3,246
Depreciation and amortisation	**10,447**	4,649
Travelling expenses	**3,384**	3,458
Materials consumed	**28,552**	15,731
Office expenses	**1,491**	1,188
Others	**5,064**	2,919
	303,083	218,281

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(41) EXPENSES BY NATURE

The costs of sales, selling expenses, general and administrative expenses and research and development expenses classified by nature are as follows:

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Employee benefit expenses	**484,945**	348,548
Raw materials and consumables used	**359,462**	355,513
Share-based payments	**–**	72,205
Changes in finished goods, work in progress, delivered goods and contract fulfilment costs	**201,784**	(40,350)
Advertising and promotion expenses	**84,245**	54,989
Depreciation and amortisation	**62,207**	44,370
Transportation expenses	**32,881**	36,318
Subcontracting expenses	**5,531**	16,758
Outsourcing labour costs	**12,942**	14,615
Travelling expenses	**24,128**	20,512
Sales commission	**19,900**	24,304
Office expenses	**14,897**	13,039
Warehousing and storage expenses	**12,358**	14,817
Entertainment expenses	**8,990**	8,018
Software tools and consumer goods	**9,420**	3,221
Professional service fees	**11,842**	6,519
Scrap of inventories	**2,429**	10,524
Provision of repair and maintenance expenses	**8,139**	5,030
Auditors' remuneration	**385**	64
– Audit services	**385**	64
– Non-audit services	**–**	–
Outsourcing processing fees	**8,397**	–
Others	**27,833**	22,051
	1,392,715	1,031,065

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(42) Financial expenses

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Interest expense on borrowings	**21,182**	37,590
Add: Interest expenses on lease liabilities	**1,191**	1,386
Less: Capitalised interest	**(21,182)**	(36,846)
Interest expenses	**1,191**	2,130
Less: Interest income	**(52,596)**	(7,187)
Exchange gains and losses	**73,857**	(7,363)
Others	**830**	2,191
	23,282	(10,229)

(43) Other Income

	Six months ended June 30, 2026 Amount (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Government grants		
– Related to assets	**268**	1,098
– Income related	**6,178**	3,487
VAT and other tax refund	**1,842**	–
	8,288	4,585

Government grants include grants relating to assets and grants relating to income. The government grants relating to income mainly included government funding for patent of invention and several government-sponsored projects focusing on the research and development of advanced technologies, and government refund for social security costs.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(44) Investment (loss)/income

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Long-term equity investment loss under equity method (note 4 (10))	**(34,492)**	(37,374)
Changes of gains and losses from holding of financial assets held for trading	**1,883**	1,958
Investment loss on disposal of long-term equity investment	**–**	(3,686)
	(32,609)	(39,102)

There is no significant restriction on the repatriation of investment income of the Group.

(45) Credit impairment losses

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Losses on bad debts of accounts receivable	**76,784**	930
Reversal of losses on bad debts of other receivables	**1,018**	(293)
Losses on bad debts of long-term receivables	**13,268**	666
	91,070	1,303

(46) Asset impairment loss

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Provision for inventories and costs incurred to fulfil a contract	**3,771**	470

NOTES TO THE FINANCIAL STATEMENTS

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(47) Income tax expenses

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Current income tax calculated based on tax law and related regulations	**59,040**	4,857

The reconciliation from income tax calculated based on the applicable tax rates and loss presented in the consolidated income statements to the income tax expense is listed below:

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Total loss	**(279,787)**	(435,132)
Tax calculated at the tax rate of 25%	**(69,947)**	(108,783)
Effects of different tax rates within a group entity	**14,973**	47,896
Additional deduction for research and development expenses	**(34,834)**	(27,990)
Investment loss accounted for using the equity method	**8,589**	800
Cost, expenses and losses not deductible for tax purposes	**1,585**	1,018
Share-based payments	**–**	10,686
Unrecognized deferred tax assets for deductible temporary differences in prior period	**(4,816)**	(28,632)
Unrecognized deferred tax assets for deductible losses in prior period	**(17,072)**	(3,006)
Unrecognized deferred tax assets for deductible temporary differences in the current period	**40,130**	457
Unrecognized deferred tax assets for deductible losses in the current period	**120,195**	112,411
Effect of adjusting income taxes of prior periods	**237**	–
	59,040	4,857

NOTES TO THE FINANCIAL STATEMENTS

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(48) Losses per share

Basic losses per share is calculated by dividing the consolidated net loss attributable to ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares of the Company:

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Consolidated net loss attributable to ordinary shareholders of the Company (RMB'000)	**311,478**	413,648
Weighted average number of outstanding ordinary shares of the Company ('000)	**502,585**	438,524
Basic losses per share (RMB)	**0.62**	0.94

As there were no dilutive potential ordinary shares for the six months ended June 30, 2026 and 2025, diluted losses per share equal to basic losses per share.

(49) Dividends

On June 30, 2026, the Board of Directors of the Company did not recommend the distribution of dividends for interim period.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(50) Supplementary information to the cash flow statement

(a) Reconciliation from net loss to cash flows from operating activities

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Net loss	**(338,827)**	(439,989)
Add: Assets impairment loss	**3,771**	470
Credit Impairment Losses	**91,070**	1,303
Depreciation of fixed assets	**31,260**	13,755
Depreciation of right-of-use assets	**12,658**	14,243
Amortisation of intangible assets	**9,632**	4,789
Amortisation of long-term prepaid expenses	**8,657**	11,583
Amortisation of deferred income	**(1,652)**	(1,098)
Income on disposals of assets	**423**	(98)
Financial expenses	**75,048**	(8,730)
Investment loss	**32,609**	39,102
Gains from fair value changes	**(55)**	–
Share-based payment (note 7)	**–**	72,205
Decrease/(increase) in inventories	**(268,440)**	22,592
Decrease in deferred tax assets	**(115)**	–
Decrease in deferred tax liabilities	**(818)**	(120)
Decrease/(increase) in operating receivables	**(407,536)**	4,239
Increase/(decrease) in operating payables	**2,825**	(105,060)
Net cash flows from operating activities	**(749,490)**	(370,814)

(b) The net movement of cash and cash equivalents

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Closing balance of monetary funds	**2,381,213**	1,181,133
Less: Restricted funds	**(55,587)**	(23,703)
Closing balance of cash and cash equivalents	**2,325,626**	1,157,430
Less: Opening cash and cash equivalents	**(4,887,880)**	(1,190,960)
Increase in cash and cash equivalents	**(2,562,254)**	(33,530)

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(50) Supplementary information to the cash flow statement *(Continued)*

(c) Cash received relating to other operating activities

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Deposits and guarantees	**3,076**	34,000
Bank interest income	**52,596**	7,187
Government grants	**8,127**	4,125
Others	**1,411**	20,193
	65,210	65,505

(d) Cash paid relating to other operating activities

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Advertising and promotion expenses	**74,559**	54,989
Travelling expenses and entertainment expenses	**26,932**	20,512
Sales commission	**19,900**	24,304
Outsourcing labour costs	**6,112**	14,615
Software tools and consumer goods	**9,420**	3,221
Others	**114,700**	1,668
	251,623	119,309

(e) Cash payments relating to other financing activities

For the six months ended June 30, 2026, the total cash outflows related to the lease paid by the Group amounted to RMB18,530,000 (for the six months ended June 30, 2025: RMB19,476,000), including the amount paid for the repayment of the lease liabilities for the financing activities amounted to RMB17,028,000 (for the six months ended June 30, 2025: RMB18,332,000), the remaining cash outflows were included in operating activities.

NOTES TO THE FINANCIAL STATEMENTS

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(51) Foreign currency items

	June 30, 2026		
	Foreign currencies balance	Conversion rate	RMB balance
Cash at bank and on hand –			
USD	41,932	6.8109	285,595
EUR	5,762	7.7671	44,754
Other foreign currencies	–	–	76,065
			406,414
Accounts receivables –			
USD	8,087	6.8109	55,080
EUR	3,759	7.7671	29,197
Other foreign currencies	–	–	12,274
			96,551

Foreign currencies of the above-mentioned foreign currency items refer to all currencies other than RMB. Other foreign currencies mainly include Hong Kong dollars, British pounds, Japanese yen and other foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS

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5 CHANGE OF CONSOLIDATED SCOPE

(1) Business combinations involving enterprises not under common control

(a) Business combinations involving enterprises not under common control occurring in the current year

Acquiree	Timing of acquisition	Cost of purchase	% of interest acquired	Way of acquisition	Acquisition date	Basis for determining the acquisition date	Income of the acquiree during the period from the acquisition date to the end of the year	Net profit of the acquiree during the period from the acquisition date to the end of the year	Cash flows from operating activities of the acquiree during the period from the acquisition date to the end of the year	Net cash flows of the acquiree during the period from the acquisition date to the end of the year
Zhejiang Fenglong Electric Co., Ltd.	March 12, 2026	1,665,324	43.01%	Purchased outside	March 12, 2026	Acquisition of control	137,780	8,387	10,025	29,023

(b) The recognition of consolidated cost and goodwill:

	Fenglong Electric
Cost of combination – cash (i)	1,665,324
Less: Share of fair value of identifiable assets acquired	(541,814)
Goodwill	1,123,510

(i) On December 14, 2025, the Group entered into the Share Transfer Agreement in relation to Zhejiang Fenglong Electric Co., Ltd. with the shareholder of Fenglong Electric, pursuant to which the Group agreed to acquire 43.01% of the equity interests in Fenglong Electric by way of share transfer by agreement and tender offer, and the acquisition consideration will be fully paid in cash. Zhejiang Chengfeng Investment Co., Ltd. is not a related party of the Group.

The Group determined the fair value of the transferred non-cash assets and liabilities incurred by using valuation techniques.

NOTES TO THE FINANCIAL STATEMENTS

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5 CHANGE OF CONSOLIDATED SCOPE *(Continued)*

(1) Business combinations involving enterprises not under common control *(Continued)*

(c) The assets and liabilities of the acquiree at the acquisition date are set out below:

	Fair value on acquisition date	Book value on acquisition date
Current assets	652,839	652,142
Non-current assets	834,665	499,911
Less: Current liabilities	(138,991)	(138,991)
Non-current liabilities	(88,774)	(4,911)
Net assets	1,259,739	1,008,151
Less: interests Minority	(717,925)	
Net assets acquired	541,814	

As at the reporting date, the assessment relating to the acquired business is still in progress, and the fair value of the identifiable net assets is presented based on provisional amounts.

(2) Changes in the Scope of Consolidation for other reasons

For the six months ended June 30, 2026, there was no material change of consolidated scope of the Group other than those described in note 5(1) and note 6.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

6 EQUITY IN OTHER ENTITIES

(1) Equity interest in subsidiaries

(a) The structure of the Group

Names of subsidiaries	Principal place of business	Place of registration	Registered capital	Business nature	Shareholding proportion Direct	Shareholding proportion Indirect	Way of acquisition
UBTECH ROBOTICS LIMITED	Hong Kong, PRC	Hong Kong, PRC	31,058.4 HKD	Sales Robots	100%	–	Establishment
UBTECH Education (Shenzhen) Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	RMB30 million	Provision of robotic ancillary services	100%	–	Establishment
UBTECH Entertainment (Shenzhen) Co., Ltd. (優必選娛樂(深圳)有限公司)	Shenzhen, PRC	Shenzhen, PRC	RMB71 million	Sales Robots	100%	–	Establishment
Shanghai UBJ (ii)	Shanghai, PRC	Shanghai, PRC	RMB7.243502 million	Provision of robotic ancillary services	87.53%	–	Business combinations involving enterprises not under common control
Kunming UBTECH Technology Investment Co., Ltd.	Kunming, PRC	Kunming, PRC	RMB36.5 million	Production robots	–	100%	Establishment
UBTECH Technology (Kunming) Co., Ltd.	Kunming, PRC	Kunming, PRC	RMB10 million	Sales Robots	100%	–	Establishment
Shenzhen UBTECH Technology Industrial Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	RMB465,040,000	Dormant	100%	–	Establishment
UBTECH Software Technology (Shenzhen) Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	RMB35 million	Development and sales of robot software	100%	–	Establishment
Sichuan UBTECH Holding Co., Ltd.	Chengdu, PRC	Chengdu, PRC	RMB100,000,000	Sales Robots	100%	–	Establishment
UBTECH (Chongqing) Technology Co., Ltd. (優必選(重慶)科技有限公司)	Chongqing, PRC	Chongqing, PRC	RMB20 million	Development, design and sales of robotic products	100%	–	Establishment
Chengdu Youxuan Ruizhi Equity Investment Fund Management Co., Ltd.	Chengdu, PRC	Chengdu, PRC	RMB10 million	Dormant	–	51%	Establishment
Jiangsu Tianhui (i)	Wuxi, PRC	Wuxi, PRC	RMB10 million	Provision of robotic ancillary services	–	39.88%	Business combinations involving enterprises not under common control
Hangzhou UBTECH Industrial Co., Ltd.	Hangzhou, PRC	Hangzhou, PRC	RMB20 million	Sales Robots	100%	–	Establishment
UBTECH (Hangzhou) Technology Co., Ltd.	Hangzhou, PRC	Hangzhou, PRC	RMB20 million	Sales Robots	100%	–	Establishment
Guizhou UBTECH Technology Co., Ltd.	Guiyang, PRC	Guiyang, PRC	RMB20 million	Manufacturing and sales of robots	100%	–	Establishment

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6 EQUITY IN OTHER ENTITIES *(Continued)*

(1) Equity interest in subsidiaries *(Continued)*

(a) *The structure of the Group (Continued)*

Names of subsidiaries	Principal place of business	Place of registration	Registered capital	Business nature	Shareholding proportion Direct	Indirect	Way of acquisition
UBTECH (Fujian) Technology Co., Ltd.	Fuzhou, PRC	Fuzhou, PRC	RMB30 million	Dormant	100%	–	Establishment
UBTECH (Jiangsu) Intelligent Robot Co., Ltd.	Nanjing, PRC	Nanjing, PRC	RMB200,000,000	Sales Robots	100%	–	Establishment
Shandong UBTECH Technology Co., Ltd.	Weifang, PRC	Weifang, PRC	RMB100 million	Sales Robots	100%	–	Establishment
UBTECH (Suzhou) Technology Co., Ltd.	Suzhou, PRC	Suzhou, PRC	RMB30 million	Sales Robots	100%	–	Establishment
UBTECH (Shenzhen) Technology Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	RMB10 million	Production robots	100%	–	Establishment
UBTECH (Xiamen) Intelligent Technology Limited	Xiamen, PRC	Xiamen, PRC	RMB50,000,000	Development, design, production and sales of robotic products	100%	–	Establishment
UBJ (Hangzhou) Technology Service Co., Ltd.	Hangzhou, PRC	Hangzhou, PRC	RMB1 million	Provision of robotic ancillary services	–	87.53%	Business combinations involving enterprises not under common control
UBTECH (Hangzhou) Intelligent Robot Co., Ltd.	Hangzhou, PRC	Hangzhou, PRC	RMB100 million	Sales Robots	100%	–	Establishment
UBTECH Enze (Hangzhou) Technology Co., Ltd.	Hangzhou, PRC	Hangzhou, PRC	RMB30 million	Dormant	51%	–	Establishment
UBJ (Xiamen) Education Technology Co., Ltd.	Xiamen, PRC	Xiamen, PRC	RMB5 million	Provision of robotic ancillary services	–	87.53%	Business combinations involving enterprises not under common control
Ezhou UBTECH Technology Co., Ltd. (鄂州優必選科技有限公司)	Ezhou, PRC	Ezhou, PRC	RMB20 million	Sales Robots	100%	–	Establishment
Wuxi Uqi Intelligent Technology Co., Ltd. (無錫優奇智能科技有限公司) (i) ("**Wuxi Uqi**")	Wuxi, PRC	Wuxi, PRC	RMB32,792,134	production, production and sales of smart logistics	39.88%	–	Establishment

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6 EQUITY IN OTHER ENTITIES *(Continued)*

(1) Equity interest in subsidiaries *(Continued)*

(a) The structure of the Group (Continued)

Names of subsidiaries	Principal place of business	Place of registration	Registered capital	Business nature	Shareholding proportion Direct	Shareholding proportion Indirect	Way of acquisition
UBTECH (Huzhou) Technology Co., Ltd.	Huzhou, PRC	Huzhou, PRC	RMB20 million	Development, design, production and sales of robotic products	100%	–	Establishment
UBTECH (Weihai) Technology Co., Ltd.	Weihai, PRC	Weihai, PRC	RMB25 million	Sales Robots	100%	–	Establishment
Futronics (Hong Kong) Limited	Hong Kong, PRC	Hong Kong, PRC	USD15 million	investment holding	–	100%	Establishment
UBTECH (Shantou) Technology Co., Ltd. (優必選(汕頭)科技有限公司)	Shantou, PRC	Shantou, PRC	RMB26 million	Sales Robots	100%	–	Establishment
UBTECH (Taiyuan) Intelligent Robot Co., Ltd.	Taiyuan, PRC	Taiyuan, PRC	RMB1 million	Sales Robots	100%	–	Establishment
UBTECH Logistic (Kunming) Co., Ltd.	Kunming, PRC	Kunming, PRC	RMB10 million	Dormant	–	100%	Establishment
UBTECH Shanhu (Hangzhou) Technology Co., Ltd.	Hangzhou, PRC	Hangzhou, PRC	RMB20 million	Sales Robots	100%	–	Establishment
UBTECH Shanhu (Hangzhou) Industrial Co., Ltd.	Hangzhou, PRC	Hangzhou, PRC	RMB20 million	Production robots	–	75%	Establishment
Shenzhen Youbixing Technology Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	RMB50,000,000	Development, design and sales of robotic products	100%	–	Establishment
Best Epoch Technology Co. LTD (深圳市優紀元科技有限公司)	Shenzhen, PRC	Shenzhen, PRC	RMB50 million	Sales of intelligent hardware	100%	–	Establishment
UBTECH (Yangzhou) Technology Co., Ltd.	Yangzhou, PRC	Yangzhou, PRC	RMB20 million	Sales Robots	100%	–	Establishment
UBTECH (Huzhou) Industrial Co., Ltd.	Huzhou, PRC	Huzhou, PRC	RMB20 million	Sales Robots	–	100%	Establishment
U&ME Innovation Technology Company Limited	Hong Kong, PRC	Hong Kong, PRC	38,915,500 HKD	Sales Robots	–	100%	Establishment
Shanghai UBTECH Intelligent Health Technology Development Co., Ltd.	Shanghai, PRC	Shanghai, PRC	RMB20 million	Sales Robots	–	80%	Establishment
Shanghai Youjiajie Education Technology Co., Ltd.	Shanghai, PRC	Shanghai, PRC	RMB1 million	Provision of robotic ancillary services	–	87.53%	Business combinations involving enterprises not under common control
UBTECH (Hebei) Technology Co., Ltd.	Shijiazhuang, PRC	Shijiazhuang, PRC	RMB20 million	Manufacturing and sales of robots	100%	–	Establishment
UBTECH (Hubei) Technology Co., Ltd.	Wuhan, PRC	Wuhan, PRC	RMB70 million	Sales Robots	100%	–	Establishment

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For the six months ended June 30, 2026
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6 EQUITY IN OTHER ENTITIES *(Continued)*

(1) Equity interest in subsidiaries *(Continued)*

(a) The structure of the Group (Continued)

Names of subsidiaries	Principal place of business	Place of registration	Registered capital	Business nature	Shareholding proportion Direct	Shareholding proportion Indirect	Way of acquisition
Kunming Uqi Intelligent Technology Co., Ltd. (i) ("**Kunming Uqi**")	Kunming, PRC	Kunming, PRC	RMB10 million	Production robots	–	39.88%	Establishment
Shenzhen Youzhixue Education Technology Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	RMB10 million	Provision of robotic ancillary services	100%	–	Establishment
Shaoyang UBTECH Technology Co., Ltd.	Shaoyang, PRC	Shaoyang, PRC	RMB30 million	Sales Robots	100%	–	Establishment
Shenzhen Uqi Zhixing Technology Co., Ltd. (i) (深圳優奇智行科技有限公司) ("**Shenzhen Uqi**")	Shenzhen, PRC	Shenzhen, PRC	RMB20 million	Development robots	–	39.88%	Establishment
Sichuan UBTECH Intelligent Technology Development Co., Ltd.	Chengdu, PRC	Chengdu, PRC	RMB10 million	Sales Robots	100%	–	Establishment
Jiujiang Youbixing Technology Co., Ltd.	Jiujiang, PRC	Jiujiang, PRC	RMB210 million	Development, design, production and sales of robotic products	100%	–	Establishment
Liuzhou UBTECH Intelligent Technology Co., Ltd.	Liuzhou, PRC	Liuzhou, PRC	RMB200 million	Development, design, production and sales of robotic products	100%	–	Establishment
Shenzhen Youshijie Robot Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	RMB6,660,000	Dormant	100%	–	Establishment
UBKang (Qingdao) Technology Co., Ltd.* (優必康(青島)科技有限公司)	Qingdao, PRC	Qingdao, PRC	RMB62,500,000	Sales of robotic products	80%	–	Establishment
UBTECH (Puyang) Technology Co., Ltd. (優必選(濮陽)科技有限公司)	Puyang, PRC	Puyang, PRC	RMB176,000,000	Sales of robotic products	100%	–	Establishment
UBTECH (Shenyang) Technology Co., Ltd. (優必選(瀋陽)科技有限公司)	Shenyang, PRC	Shenyang, PRC	RMB100,000,000	Dormant	100%	–	Establishment
Jiujiang Youye Technology Co., Ltd. (九江優耶科技有限公司)	Jiujiang, PRC	Jiujiang, PRC	RMB20,000,000	Dormant	–	100%	Establishment
Chaozhou UBTECH Education Technology Co., Ltd. (潮州市優必選教育科技有限公司) (ii) ("**Chaozhou UBTECH**")	Chaozhou, PRC	Chaozhou, PRC	RMB16,800,000	Development, design, production and sales of robotic products	–	44.64%	Establishment

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6 EQUITY IN OTHER ENTITIES *(Continued)*

(1) Equity interest in subsidiaries *(Continued)*

(a) The structure of the Group (Continued)

Names of subsidiaries	Principal place of business	Place of registration	Registered capital	Business nature	Shareholding proportion		Way of acquisition
					Direct	Indirect	
Liuzhou Youxue Technology Co., Ltd. (柳州優學科技有限公司)	Liuzhou, PRC	Liuzhou, PRC	RMB200,000,000	Development, design, production and sales of robotic products	100%	–	Establishment
Liuzhou UBTECH Technology Industry Co., Ltd. (柳州優必選科技產業有限公司)	Liuzhou, PRC	Liuzhou, PRC	RMB200,000,000	Development, design, production and sales of robotic products	100%	–	Establishment
Liuzhou UBTECH Intelligent Industry Co. (柳州優必選智能實業有限公司)	Liuzhou, PRC	Liuzhou, PRC	RMB600,000,000	Development, design, production and sales of robotic products	–	100%	Establishment
Shenzhen Youlingjing Technology Co., Ltd. (深圳市優靈境科技有限公司)	Shenzhen, PRC	Shenzhen, PRC	RMB5,000,000	Dormant	51%	–	Establishment
Youdi Health Technology (Shenzhen) Co., Ltd. (優邸健康科技(深圳)有限公司) (i) ("**Youdi Health**")	Shenzhen, PRC	Shenzhen, PRC	RMB8,100,000	Development, design and sales of robotic products	50.62%	–	Establishment
Shenzhen Xuanyou Technology Co., Ltd. (深圳市選優科技有限公司)	Shenzhen, PRC	Shenzhen, PRC	RMB20,000,000	Dormant	100%	–	Establishment
Shenzhen Tuzaijushen Intelligence Technology Co., Ltd. (深圳通載具身智能科技有限公司)	Shenzhen, PRC	Shenzhen, PRC	RMB20,000,000	Dormant	100%	–	Establishment
Ganzhou UBTECH Intelligent Technology Co., Ltd. (贛州優必選智能科技有限公司)	Ganzhou, PRC	Ganzhou, PRC	RMB20,000,000	Sales of robotic products	100%	–	Establishment
Shenzhen UBTECH Medical Robot Co., Ltd. (深圳市優必選醫療機器人有限公司)	Shenzhen, PRC	Shenzhen, PRC	RMB5,000,000	Development, design, production and sales of robotic products	100%	–	Establishment
UBTECH Beijing Intelligent Robot Co., Ltd. (北京行者天工機器人有限公司)	Beijing, PRC	Beijing, PRC	RMB60,000,000	Development, design, production and sales of robotic products	100%	–	Establishment

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For the six months ended June 30, 2026
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6 EQUITY IN OTHER ENTITIES *(Continued)*

(1) Equity interest in subsidiaries *(Continued)*

(a) The structure of the Group (Continued)

Names of subsidiaries	Principal place of business	Place of registration	Registered capital	Business nature	Shareholding proportion Direct	Shareholding proportion Indirect	Way of acquisition
Guangzhou UBTECH Intelligent Health Industry Co., Ltd. (廣州優必選智慧健康產業有限公司)	Guangzhou, PRC	Guangzhou, PRC	RMB20,000,000	Sales Robots	–	80%	Establishment
UBTECH (Hejin) Technology Co., Ltd. (優必選(河津)科技有限公司)	Yuncheng, PRC	Yuncheng, PRC	RMB50,000,000	Dormant	100%	–	Establishment
Hebei UBTECH Intelligent Technology Co., Ltd. (河北優必選智能科技有限公司)	Tangshan, PRC	Tangshan, PRC	RMB20,000,000	Sales of robotic products	100%	–	Establishment
UBTECH (Suzhou) Technology Co., Ltd. (優必選(宿州)科技有限公司)	Suzhou, PRC	Suzhou, PRC	RMB20,000,000	Sales of robotic products	100%	–	Establishment
UBTECH (Hebi) Technology Co., Ltd. (優必選(鶴壁)科技有限公司)	Hebi, PRC	Hebi, PRC	RMB20,000,000	Dormant	100%	–	Establishment
UBTECH (Zhengzhou) Intelligent Agriculture Technology Co., Ltd. (優必選(鄭州)智慧農業科技有限公司)	Zhengzhou, PRC	Zhengzhou, PRC	RMB80,000,000	Dormant	100%	–	Establishment
UBTECH (Xiamen) Software Technology Co., Ltd. (優必選(廈門)軟件技術有限公司)	Xiamen, PRC	Xiamen, PRC	RMB20,000,000	Dormant	100%	–	Establishment
UBHOME TECHNOLOGY COMPANY LIMITED	Hong Kong, PRC	Hong Kong, PRC	HKD100,000	Sales of robotic products	100%	–	Establishment
UBTECH (Yancheng) Technology Co., Ltd. (優必選(鹽城)科技有限公司)	Yancheng, PRC	Yancheng, PRC	RMB20,000,000	Sales of robotic products	100%	–	Establishment
UBTECH (Shenyang) Innovation Technology Co., Ltd. (優必選(瀋陽)創新科技有限公司)	Shenyang, PRC	Shenyang, PRC	RMB100,000,000	Sales of robotic products	100%	–	Establishment
Hangzhou UBTECH Intelligent Technology Industry Co., Ltd. (杭州優必選智能科技產業有限公司)	Hangzhou, PRC	Hangzhou, PRC	RMB100,000,000	Dormant	100%	–	Establishment
Liuzhou Youchuang Intelligent Technology Co., Ltd. (柳州優創智能科技有限公司)	Liuzhou, PRC	Liuzhou, PRC	RMB10,000,000	Dormant	–	51%	Establishment
UBTECH (Zhengzhou) Intelligent Technology Limited (優必選(鄭州)智能科技有限公司)	Zhengzhou, PRC	Zhengzhou, PRC	RMB50,000,000	Sales of robotic products	90%	–	Establishment

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6 EQUITY IN OTHER ENTITIES *(Continued)*

(1) Equity interest in subsidiaries *(Continued)*

(a) The structure of the Group (Continued)

Names of subsidiaries	Principal place of business	Place of registration	Registered capital	Business nature	Shareholding proportion Direct	Indirect	Way of acquisition
Nanjiang Youxuan Intelligent Technology Co., Ltd. (南江優選智能科技有限公司)	Nanjiang, PRC	Nanjiang, PRC	RMB20,000,000	Dormant	100%	–	Establishment
Youbixing (Jiyuan) Technology Co., Ltd. (優必行(濟源)科技有限公司)	Jiyuan, PRC	Jiyuan, PRC	RMB20,000,000	Dormant	100%	–	Establishment
UBTECH (Nanchong) Robot Technology Co., Ltd. (優必選(南充)機器人科技有限公司)	Nanchong, PRC	Nanchong, PRC	RMB50,000,000	Dormant	100%	–	Establishment
Ubit Intelligent (Qingdao) Software Co., Ltd. (優必智行(青島)軟件有限公司)	Qingdao, PRC	Qingdao, PRC	RMB5,000,000	Dormant	100%	–	Establishment
Zigong UBTECH Intelligent Technology Co., Ltd. (自貢市優必智能科技有限公司)	Zigong, PRC	Zigong, PRC	RMB50,000,000	Dormant	100%	–	Establishment
Huizhou UBTECH Intelligent Technology Co., Ltd. (惠州市優必選智能科技有限公司)	Huizhou, PRC	Huizhou, PRC	RMB30,000,000	Sales of robotic products	100%	–	Establishment
UBTECH (Baoding) Technology Co., Ltd. (優必選(保定)科技有限公司)	Baoding, PRC	Baoding, PRC	RMB20,000,000	Dormant	–	100%	Establishment
UBTECH (Huanggang) Intelligent Technology Co., Ltd. (優必選(黃岡)智能科技有限公司)	Huanggang, PRC	Huanggang, PRC	RMB20,000,000	Dormant	100%	–	Establishment
Wenzhou UBTECH Education Technology Co., Ltd. (溫州優必選教育科技有限公司)	Wenzhou, PRC	Wenzhou, PRC	RMB10,000,000	Dormant	100%	–	Establishment
Guangxi UBTECH Medical Technology Co., Ltd. (廣西優必選醫療科技有限公司)	Fangchenggang, PRC	Fangchenggang, PRC	RMB2,000,000	Dormant	–	100%	Establishment
UBTECH (Hohhot) Technology Co., Ltd. (優必選(呼和浩特)科技有限公司)	Hohhot, PRC	Hohhot, PRC	RMB10,000,000	Dormant	100%	–	Establishment
Beijing Tianyou Robot Co., Ltd. (北京天優機器人有限公司)	Beijing, PRC	Beijing, PRC	RMB10,000,000	Dormant	–	65%	Establishment
UBTECH (Quzhou) Technology Co., Ltd. (優必選(衢州)科技有限公司)	Quzhou, PRC	Quzhou, PRC	RMB30,000,000	Dormant	–	100%	Establishment

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6 EQUITY IN OTHER ENTITIES *(Continued)*

(1) Equity interest in subsidiaries *(Continued)*

(a) The structure of the Group (Continued)

Names of subsidiaries	Principal place of business	Place of registration	Registered capital	Business nature	Shareholding proportion Direct	Shareholding proportion Indirect	Way of acquisition
Suqian UBTECH Education Technology Co., Ltd. (宿遷優必選教育科技有限公司)	Suqian, PRC	Suqian, PRC	RMB1,000,000	Dormant	–	100%	Establishment
Hangzhou UBTECH Hangyou Intelligent Mobility Robot Co., Ltd. (杭州優必選杭優智行機器人有限公司)	Hangzhou, PRC	Hangzhou, PRC	RMB50,000,000	Development, design, production and sales of robotic products	100%	–	Establishment
Shenzhen UBTECH Information Technology Co., Ltd. (深圳市優必訊科技有限公司)	Shenzhen, PRC	Shenzhen, PRC	RMB10,000,000	Sales of robotic products	–	70%	Establishment
UBTECH (Shiyan) Robotics Technology Co., Ltd. (優必選(十堰)機器人科技有限公司)	Shiyan, PRC	Shiyan, PRC	RMB50,000,000	Development, design, production and sales of robotic products	100%	–	Establishment
UBTECH (Zhumadian) Technology Co., Ltd. (優必選(駐馬店)科技有限公司)	Zhumadian, PRC	Zhumadian, PRC	RMB20,000,000	Dormant	–	100%	Establishment
Zigong Youlong Intelligent Technology Co., Ltd. (自貢優龍智能科技有限公司)	Zigong, PRC	Zigong, PRC	RMB10,000,000	Dormant	–	90%	Establishment
UBTECH (Tianjin) Technology Co., Ltd. (優必選(天津)科技有限公司)	Tianjin, PRC	Tianjin, PRC	RMB20,000,000	Dormant	–	100%	Establishment
Longsheng Xingzhi Youxue Education Technology Co., Ltd. (龍勝行知優學教育科技有限公司)	Guilin, PRC	Guilin, PRC	RMB3,000,000	Dormant	–	100%	Establishment
UBTECH (Tianjin) Intelligent Robot Co., Ltd. (優必選(天津)智能機器人有限公司)	Baoding, PRC	Baoding, PRC	RMB60,000,000	Dormant	–	51%	Establishment
Shenzhen Shili Technology Co., Ltd. (深圳市世利科技有限公司)	Shenzhen, PRC	Shenzhen, PRC	RMB10,000	Dormant	–	100%	Establishment
Wuxi Uqi Robotics Technology Co., Ltd. (無錫優奇機器人科技有限公司)	Wuxi, PRC	Wuxi, PRC	RMB100,000,000	Dormant	–	78%	Establishment
Tianjin Honglian Zhirong Management Consulting Partnership (Limited Partnership) (天津泓聯智融管理諮詢合夥企業(有限合夥))	Tianjin, PRC	Tianjin, PRC	RMB150,000,000	Dormant	–	99.99%	Establishment
Youbicheng (Shanghai) Technology Co., Ltd. (優必城(上海)科技有限公司)	Shanghai, PRC	Shanghai, PRC	RMB50,000,000	Dormant	51%	–	Establishment

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6 EQUITY IN OTHER ENTITIES *(Continued)*

(1) Equity interest in subsidiaries *(Continued)*

(a) The structure of the Group (Continued)

Names of subsidiaries	Principal place of business	Place of registration	Registered capital	Business nature	Shareholding proportion Direct	Shareholding proportion Indirect	Way of acquisition
UBTECH (Qinhuangdao) Robotics Technology Co., Ltd. (優必選(秦皇島)機器人科技有限公司)	Qinhuangdao, PRC	Qinhuangdao, PRC	RMB50,000,000	Sales of robotic products	100%	–	Establishment
Beijing Younuohang Embodied Intelligent Robot Co., Ltd. (北京優諾航具身智能機器人有限公司) (iii)	Beijing, PRC	Beijing, PRC	RMB10,000,000	Dormant	–	39%	Establishment
Luchuan UBTECH Education Technology Co., Ltd. (陸川優必選教育科技有限公司)	Yulin, PRC	Yulin, PRC	RMB3,000,000	Dormant	–	100%	Establishment
DoublePlus Tech Limited company	South Korea	South Korea	KRW20,000,000	Dormant	–	100%	Establishment
Shenzhen Xinfenglong Technology Co., Ltd. (深圳市新鋒龍科技有限公司)	Shenzhen, PRC	Shenzhen, PRC	RMB50,000,000	Dormant	–	43.01%	Establishment
Zhejiang Fenglong Electric Co., Ltd. (浙江鋒龍電氣股份有限公司)	Shaoxing, PRC	Shaoxing, PRC	RMB218,505,856	investment holding	43.01%	–	Business combinations involving enterprises not under common control
Dushang Precision Machinery (Jiaxing) Co., Ltd. (杜商精機(嘉興)有限公司)	Jiaxing, PRC	Jiaxing, PRC	RMB190,866,829	Electromechanical manufacturing	–	43.01%	Business combinations involving enterprises not under common control
Zhejiang Fenglong Technology Co., Ltd. (浙江鋒龍科技有限公司)	Shaoxing, PRC	Shaoxing, PRC	RMB19,246,584	Electromechanical manufacturing	–	43.01%	Business combinations involving enterprises not under common control
Zhejiang Haolong Electric Co., Ltd. (浙江昊龍電氣有限公司)	Shaoxing, PRC	Shaoxing, PRC	USD7,800,000	Automobile parts manufacturing	–	43.01%	Business combinations involving enterprises not under common control

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

6 EQUITY IN OTHER ENTITIES *(Continued)*

(1) Equity interest in subsidiaries *(Continued)*

(a) The structure of the Group (Continued)

Names of subsidiaries	Principal place of business	Place of registration	Registered capital	Business nature	Shareholding proportion Direct	Indirect	Way of acquisition
Zhejiang Yichuang Technology Co., Ltd. (浙江毅闖科技有限公司)	Shaoxing, PRC	Shaoxing, PRC	RMB40,484,200	Automobile parts manufacturing	–	43.01%	Business combinations involving enterprises not under common control
Zhejiang Maisheng Machinery Co., Ltd. (浙江麥勝機械有限公司)	Shaoxing, PRC	Shaoxing, PRC	RMB30,243,200	Electromechanical manufacturing	–	43.01%	Business combinations involving enterprises not under common control
Hangzhou Fenglong Technology Co., Ltd. (杭州鋒龍科技有限公司)	Hangzhou, PRC	Hangzhou, PRC	RMB10,000,000	Research and development and services	–	43.01%	Business combinations involving enterprises not under common control
FENGLONG ELECTRICAL MACHINERY HONGKONG LIMITED (鋒龍電機香港有限公司)	Hong Kong, PRC	Hong Kong, PRC	USD4,900,000	Management of investments	–	43.01%	Business combinations involving enterprises not under common control

All subsidiaries of the Group established in the PRC are registered as limited liability companies in accordance with the laws of the PRC.

(i) Jiangsu Tianhui, Kunming Uqi, and Shenzhen Uqi are wholly-owned subsidiaries of Wuxi Uqi. As certain shareholders in Wuxi Uqi and Youdi Health, holding 26.30% and 19% voting rights, respectively, agreed to follow the voting decision of the Company, the Company could thus have over 50% voting rights of Wuxi Uqi and its subsidiaries, and Youdi Health, and control over these subsidiaries.

(ii) Shanghai UBJ, a subsidiary directly controlled by UBTECH, held 51% voting rights in Chaozhou UBTECH and the Group thus indirectly controlled Chaozhou UBTECH.

(iii) Beijing Xingzhe Tiangong Robot Co., Ltd., a subsidiary directly controlled by UBTECH, held 65% voting rights in Beijing Tianyou Robot Co., Ltd., and Beijing Tianyou Robot Co., Ltd. held 60% voting rights in Beijing Younuohang Embodied Intelligent Robot Co., Ltd., and the Group thus indirectly controlled Beijing Younuohang Embodied Intelligent Robot Co., Ltd.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

7 SHARE-BASED PAYMENTS

(1) Restricted Equity Incentive Scheme

Since 2015, share incentive plans were established by Mr. Zhou Jian to grant RSUs to employees of the Group and other designated persons through a RSU platform under his control ("**Equity Incentive Scheme**") for the purpose of attracting and retaining suitable personnel to enhance the development of the Group.

According to the Equity Incentive Scheme, the grantees became limited partners of certain established limited partnerships ("**RSU platform**") on the grant date. These platforms held 19,396,480 ordinary shares of the Company as at June 30, 2026.

Mr. Zhou Jian has the sole discretion to invite any eligible persons to participate in the Equity Incentive Scheme by obtaining partnership interests of a RSU platform at a price determined by Mr. Zhou Jian either through subscription to the shares of the RSU platform or transfer of interest from Mr. Zhou Jian (or his designated persons). If a grantee ceases to be employed by the Group within the vesting period, the granted RSUs should be repurchased by Mr. Zhou Jian (or his designated persons) (such designee will not be the Company or any of the Company's subsidiaries) at the original subscription price or the agreed transfer price.

The granted RSUs will vest at various dates. Based on the current ownership structure of RSU platform, 1 unit of RSU is equivalent to approximately 1.3743 shares of the Company upon vesting. Therefore, the fair value of each equity interest in the shareholding platform ranges from RMB108.41 to RMB113.18.

The fair value of the RSUs granted to employees on the grant date was mainly determined with interpolation method, considering the pricing of recent rounds of financing of the Company by the independent valuer. As Mr. Zhou Jian, the Company's principal shareholder indirectly granted the shares controlled by him to the Company's employees, which constituted equity-settled share-based payment and was regarded as a contribution from a shareholder to the Company while recognizing share-based payment expenses of the Group and was credited to the capital surplus.

As at June 30, 2026 and December 31, 2025, the Group did not have any unvested RSUs in RSU platform.

(2) Share Option Scheme

According to the resolution concerning preparation and implementation of the 2022 share option incentive scheme of UBTECH ROBOTICS CORP LTD (draft) considered and approved on the fourth extraordinary general meeting held on December 27, 2022, Mr. Zhou Jian, the actual controller of the Company, has implemented a share option incentive scheme for eligible employees of the Company, granting a total of 2,132,900 share options to grantees. Upon maturity of the share option to satisfy the exercise conditions, such grantees will have the right to subscribe for shares of a RSUs platform controlled by Mr. Zhou Jian at a price of RMB1 per equity share, therefore indirectly becoming entitled to 1.3743 shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

7 SHARE-BASED PAYMENTS *(Continued)*

(2) Share Option Scheme *(Continued)*

The granted share options can be exercised on different date based on the share option incentive scheme signed by employees. The validity period of share option incentive scheme starts from the grant date of share options and ends on the date when all share options are exercised, lapsed or cancelled by grantees and the RSU platform completes liquidation and allotment.

As at June 30, 2026 and December 31, 2025, the Group had no share options that had not yet satisfied the exercisable conditions.

8 RELATED PARTIES RELATIONSHIP AND TRANSACTIONS

(1) As mentioned in Note 1, the Company has no ultimate controlling shareholder.

(2) For basic and related information of subsidiaries, please refer to note 6 (1)(a).

(3) Information about other major related parties

	Relationship with the Group
Miracle Automation Engineering Co., Ltd. (天奇自動化工程股份有限公司) ("**MAE**") and its subsidiaries	Minority shareholders of a material subsidiary
Shenzhen Yiersan Technology Co., Ltd. (深圳市易二三科技有限公司)	Associate
Sichuan UBTECH City Sports Industry Development Co., Ltd. (四川優必選城市體育產業發展有限責任公司)	Associate
Beijing Humanoid Robot Innovation Center Co., Ltd. (北京人形機器人創新中心有限公司)	Associate
Liuzhou Xingyao Sailing Private Equity Investment Partnership (Limited Partnership) (柳州星曜啟航私募股權投資合夥企業(有限合夥))	Associate
Suzhou Youmai Robot Co., Ltd. (蘇州優麥機器人有限責任公司)	Associate
Yunnan United Vision Technology Co., Ltd. (雲南聯合視覺科技有限公司)	Companies over which Directors, Supervisors and senior management exercise significant influence
BYD Company Limited ("**BYD**") and its subsidiaries	A company of which a non-executive director of the Company is the director

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

8 RELATED PARTIES RELATIONSHIP AND TRANSACTIONS *(Continued)*

(4) Significant related party transactions

(a) Pricing policy

The prices of goods purchased from related parties and services accepted from or provided to related parties by our Group are determined based on market price.

(b) Purchase of goods or acceptance of service

		For the six months ended June 30, 2026 (Unaudited)	For the six months ended June 30, 2025 (Unaudited)
Beijing Humanoid Robot Innovation Center Co., Ltd. (北京人形機器人創新中心有限公司)	Purchase goods	**21,043**	3,497
		21,043	3,497

(c) Sales of goods

		For the six months ended June 30, 2026 (Unaudited)	For the six months ended June 30, 2025 (Unaudited)
MAE and its subsidiaries	Sales of goods or services	**68,158**	44,407
Beijing Humanoid Robot Innovation Center Co., Ltd. (北京人形機器人創新中心有限公司)	Sales of goods	**–**	–
Yixing Youbixing Education Technology Co., Ltd. (宜興市優必興教育科技有限公司)	Sales of goods	**665**	8,985
BYD Company Limited (BYD) and its subsidiaries	Sales of goods	**2,668**	7,600
		71,491	60,992

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

8 RELATED PARTIES RELATIONSHIP AND TRANSACTIONS *(Continued)*

(4) Significant related party transactions *(Continued)*

(d) Key management personnel compensation

	For the six months ended June 30, 2026 (Unaudited)	For the six months ended June 30, 2025 (Unaudited)
Key management personnel compensation	**19,440**	44,038

Key management includes executive Directors, non-executive Directors, independent non-executive Directors and senior management of the Company.

(e) Five highest paid individuals

	For the six months ended June 30, 2026 (Unaudited)	For the six months ended June 30, 2025 (Unaudited)
Salaries, wages and bonuses	**12,599**	7,036
Contributions to pension scheme	**155**	129
Other social security costs and housing benefits and other employee benefits	**193**	148
Share-based compensation	**–**	24,023
Total	**12,947**	31,336

For the six months ended June 30, 2026, the five highest paid individuals include one director (for the six months ended June 30, 2025: one director), whose emoluments were reflected in the above table.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

8 RELATED PARTIES RELATIONSHIP AND TRANSACTIONS *(Continued)*

(4) Significant related party transactions *(Continued)*

(f) Directors' and supervisors' emoluments

Directors' and supervisors' emoluments for the six months ended June 30, 2026 are as follows:

	Remuneration of directors or supervisors	Remuneration paid for management of the Company				
Name	Remuneration	Salary, housing allowance, other allowances and benefits in kind	Contributions to pension scheme	Discretionary bonuses	Share-based payments	Total
Executive Directors						
Zhou Jian	–	774	58	–	–	832
Liu Ming	–	590	28	–	–	618
Deng Feng	–	1,138	36	–	–	1,174
Xiong Youjun	–	549	28	–	–	577
Wang Lin	–	269	45	–	–	314
Non-executive Directors						
Xia Zuoquan	–	–	–	–	–	–
Zhou Zhifeng	–	–	–	–	–	–
Chen Qiang	–	–	–	–	–	–
Lu Kuan	–	–	–	–	–	–
Independent Non-executive Directors						
He Jia	64	–	–	–	–	64
Yao Xin	64	–	–	–	–	64
Dong Xiuqin	64	–	–	–	–	64
Xiong Hui	64	–	–	–	–	64
Zhao Jie	–	–	–	–	–	–
Xiong Chuxiong	–	–	–	–	–	–
Poon Fuk Chuen	–	–	–	–	–	–
Leung Wai Man, Roger	–	–	–	–	–	–
Supervisors						
Ben Cangsang	–	–	–	–	–	–
Wang Xingru	–	–	–	–	–	–
	256	3,576	195	–	–	3,771

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

8 RELATED PARTIES RELATIONSHIP AND TRANSACTIONS *(Continued)*

(4) Significant related party transactions *(Continued)*

(f) Directors' and supervisors' emoluments (Continued)

Directors' and supervisor's emoluments for the six months ended June 30, 2025 are as follows:

	Remuneration of directors or supervisors	Remuneration paid for management of the Company				
Name	Remuneration	Salary, housing allowance, other allowances and benefits in kind	Contributions to pension scheme	Discretionary bonuses	Share-based payments	Total
Executive Directors						
Zhou Jian	–	824	72	–	98	994
Wang Lin	–	247	62	–	3,275	3,584
Xiong Youjun	–	545	28	–	2,932	3,505
Liu Ming	–	499	28	50	3,159	3,736
Non-executive Directors						
Xia Zuoquan	–	–	–	–	–	–
Zhou Zhifeng	–	–	–	–	–	–
Chen Qiang	–	–	–	–	–	–
Independent Non-executive Directors						
Zhao Jie	52	–	–	–	–	52
Xiong Chuxiong	52	–	–	–	–	52
Poon Fuk Chuen	52	–	–	–	–	52
Leung Wai Man, Roger	52	–	–	–	–	52
Dong Xiuqin	1	–	–	–	–	1
Xiong Hui	1	–	–	–	–	1
Yao Xin	1	–	–	–	–	1
He Jia	1	–	–	–	–	1
Supervisors						
Deng Feng	15	1,753	35	1,030	3,450	6,283
Ben Cangsang	15	308	26	–	–	349
Wang Xingru	15	211	–	–	97	323
	257	4,387	251	1,080	13,011	18,986

For the year ended June 30, 2026, no emoluments were paid by the Company to the directors and supervisors as an inducement to join the Company or as compensation for loss of office (for the six months ended June 30, 2025: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

8 RELATED PARTIES RELATIONSHIP AND TRANSACTIONS *(Continued)*

(5) Significant balances with related parties

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Accounts receivable		
MAE and its subsidiaries	**223,811**	175,112
BYD and its subsidiaries	**18,628**	20,898
Shenzhen Yiersan Technology Co., Ltd. (深圳市易二三科技有限公司)	**8,376**	8,376
Suzhou Youmai Robot Co., Ltd. (蘇州優麥機器人有限責任公司)	**–**	3,500
Yunnan United Vision Technology Co., Ltd. (雲南聯合視覺科技有限公司)	**383**	383
	251,198	208,269
Less: provision for bad debts	**(32,197)**	(25,599)
	219,001	182,670
Other payables		
MAE and its subsidiaries	**1,839**	116
Sichuan UBTECH City Sports Industry Development Co., Ltd. (四川優必選城市體育產業發展有限責任公司)	**–**	366
BYD and its subsidiaries	**–**	80
	1,839	562
Accounts payable		
MAE and its subsidiaries	**12,054**	2,311
Beijing Humanoid Robot Innovation Center Limited (北京人形機器人創新中心有限公司)	**7,055**	4,053
BYD and its subsidiaries	**2,665**	–
	21,774	6,364
Prepayments		
Miracle Automation Engineering Co., Ltd.	**487**	321
Beijing Humanoid Robot Innovation Center Limited (北京人形機器人創新中心有限公司)	**900**	–
BYD and its subsidiaries	**4,764**	633
	6,151	954
Advance received		
Suzhou Youmai Robot Co., Ltd. (蘇州優麥機器人有限責任公司)	**608**	321

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

9 COMMITMENTS

(1) Capital expenditure commitments

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Construction in progress	**614,003**	1,063,503

10 EVENTS AFTER BALANCE SHEET DATE

As at August 26, 2026, the Company's shareholders' meeting approved the 2026 H Share Incentive Scheme, and as of the date of this report, no grants have been made thereunder.

11 FINANCIAL INSTRUMENT AND RELATED RISKS

The Group's operating activities expose it to a variety of financial risks: market risk (primarily interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(1) Interest rate risk

The Group's interest rate risk arises from long-term interest-bearing borrowings including long-term borrowings and lease liabilities. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at June 30, 2026, the Group's interest-bearing borrowings with floating rates mainly represented floating rate borrowing contracts denominated in RMB, with the amounts of RMB554,527,000 (December 31, 2025: floating rate borrowing contracts with the amounts of RMB500,096,000) (note 4 (28)).

The Group's finance department continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new interest-bearing borrowings and the interest expenses with respect to the Group's outstanding floating rate borrowings, and therefore could have a material adverse effect on the Group's financial performance. Management makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. For the six months ended June 30, 2026 and for the six months ended June 30, 2025, the Group did not enter into any interest rate swap agreements. As at June 30, 2026, if interest rates on the floating rate borrowings had risen or fallen by 50 basis points while all other variables had been held constant, the Group's net loss would have increased or decreased by approximately RMB2,769,000 (December 31, 2025: approximately RMB3,435,000).

(2) Other price risk

The Group's other price risk mainly arises from investments in other equity instruments. As at June 30, 2026, the Group's other price risk is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

11 FINANCIAL INSTRUMENT AND RELATED RISKS *(Continued)*

(3) Credit risk

The Group's credit risk mainly arises from cash at bank and on hand, accounts receivable, notes receivable, long-term receivables and other receivables. As at the balance sheet date, the carrying amount of the Group's financial assets represented the maximum credit exposure of the Group.

The Group expects that there is no significant credit risk associated with cash at bank and on hand since they are deposited at well-known state-owned banks and other medium or large size listed banks with high credit ratings. The Group does not expect that there will be any significant loss from non-performance by these banks.

The Group has policies to limit the credit exposure on notes receivable, accounts receivable, other receivables, long-term receivables, etc. The Group assesses the credit quality of and sets credit periods on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions.

The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent. As at June 30, 2026, the Group didn't hold any significant collateral or other credit enhancements pledged by debtors (December 31, 2025: Nil).

(4) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group. Based on the consolidated cash flow forecasts of its subsidiaries, the Group continuously monitors short-term and long-term funding requirements at the Group level to ensure that sufficient cash reserves are maintained; at the same time, it continuously monitors compliance with the terms of its loan agreements and has secured commitments from major financial institutions to provide adequate standby funding to meet short-term and long-term funding requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
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11 FINANCIAL INSTRUMENT AND RELATED RISKS *(Continued)*

(4) Liquidity risk *(Continued)*

(a) As at the balance sheet date, the undiscounted contractual cash flows of the Group's financial liabilities, analysed by their maturity dates, are as below:

	June 30, 2026				
	Within 1 year (Unaudited)	**1 to 2 years (Unaudited)**	**2 to 5 years (Unaudited)**	**Above 5 years (Unaudited)**	**Total (Unaudited)**
Short-term borrowings	**373,256**	**–**	**–**	**–**	**373,256**
Accounts payable	**883,795**	**–**	**–**	**–**	**883,795**
Notes payable	**10,823**	**–**	**–**	**–**	**10,823**
Other payables	**490,633**	**–**	**–**	**–**	**490,633**
Long-term borrowings	**21,272**	**185,649**	**314,747**	**30,056**	**551,724**
Lease liabilities	**–**	**14,010**	**10,148**	**1,860**	**26,018**
Non-current liabilities to be settled within one year	**154,475**	**–**	**–**	**–**	**154,475**
	1,934,254	**199,659**	**324,895**	**31,916**	**2,490,724**

	December 31, 2025				
	Within 1 year (Audited)	1 to 2 years (Audited)	2 to 5 years (Audited)	Above 5 years (Audited)	Total (Audited)
Short-term borrowings	631,551	–	–	–	631,551
Accounts payable	701,444	–	–	–	701,444
Notes payable	11,998	–	–	–	11,998
Other payables	537,544	–	–	–	537,544
Long-term borrowings	20,900	150,594	308,909	26,163	506,566
Lease liabilities	–	10,814	12,601	4,498	27,913
Non-current liabilities to be settled within one year	87,303	–	–	–	87,303
	1,990,740	161,408	321,510	30,661	2,504,319

(b) As at the balance sheet date, the Group had no lease contracts signed but not yet commenced.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

11 FINANCIAL INSTRUMENT AND RELATED RISKS *(Continued)*

(4) Liquidity risk *(Continued)*

(c) The analysis of bank borrowings by repayment terms is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Within 1 year	**510,672**	683,554
1–2 years	**167,167**	132,166
2–5 years	**290,306**	282,545
Over 5 years	**29,182**	24,689
	997,327	1,122,954

12 FAIR VALUE ESTIMATES

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Unobservable inputs for the asset or liability.

As at June 30, 2026, the Group's assets measured at fair value are the investments in other equity instruments, financial assets held for trading and other non-current financial assets that are categorised in level 3.

13 CAPITAL MANAGEMENT

The Group's capital management policies aim to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may refund capital to shareholders, issue new shares or sell assets to reduce debts.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

13 CAPITAL MANAGEMENT *(Continued)*

Total capital of the Group is shareholders' equity shown in the consolidated balance sheet. The Group is not subject to external mandatory capital requirements, and monitors capital on the basis of gearing ratio (total liabilities divided by total assets). As at June 30, 2026 and December 31, 2025, the Group's gearing ratio was calculated as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Total assets	**10,842,756**	10,240,808
Total liabilities	**2,984,289**	2,915,204
Gearing ratio	**28%**	28%

14 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

(1) Accounts receivable

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Accounts receivable due from third parties	**746,949**	901,881
Accounts receivable due from subsidiaries	**2,807,637**	1,762,093
	3,554,586	2,663,974
Less: the provision for bad debts	**(436,422)**	(431,915)
	3,118,164	2,232,059

(a) The ageing of accounts receivable is analysed as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Within 6 months	**1,355,943**	1,838,743
6 months to 1 year	**1,537,727**	316,573
1 to 2 years	**339,643**	227,208
2 to 3 years	**120,530**	94,996
Above 3 years	**200,743**	186,454
	3,554,586	2,663,974

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

14 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(Continued)*

(1) Accounts receivable *(Continued)*

(b) Provision for bad debts

For the accounts receivable, regardless of whether there is a significant financing component, the Company calculates loss provisions in accordance with the lifetime expected credit loss.

The analysis of provision for bad debts for accounts receivable by category is as follows:

	June 30, 2026				December 31, 2025			
	Accounts balance		**Provision for bad debts**		Accounts balance		Provision for bad debts	
	Amount (Unaudited)	**% of total**	**Amount (Unaudited)**	**% of provision**	Amount (Audited)	% of total	Amount (Audited)	% of provision
Provision on an individual basis (i)	**594,614**	**17%**	**(306,264)**	**51.51%**	498,736	19%	(370,070)	74.20%
Provision on a collective basis (ii)	**2,959,972**	**83%**	**(130,158)**	**4.40%**	2,165,238	81%	(61,845)	2.86%
	3,554,586	**100%**	**(436,422)**	**12.28%**	2,663,974	100%	(431,915)	16.21%

(i) Provision for bad debts made on an individual basis for accounts receivable is analysed as follows:

Accounts receivables for which bad debt provision is made on an individual basis are characterised by being overdue for more than one year with significant amounts, the presence of guarantee clauses or other factors resulting in credit risk that is significantly different from that of accounts receivables within the portfolio. For the six months ended June 30, 2026, the Company's accounts receivables for which bad debt provision is made on an individual basis amounted to approximately RMB594,614,000 (December 31, 2025: RMB498,736,000). The Company evaluated the cash flows that might be collected under different scenarios and recognised the present value of the difference of RMB306,264,000 (December 31, 2025: RMB370,070,000) between the cash flows that might be collected and the cash flows receivable according to the contract as provision for bad debts, of which RMB63,806,000 (for the six months ended June 30, 2025: RMB161,257,000) was included in profit or loss for the current period.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

14 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(Continued)*

(1) Accounts receivable *(Continued)*

(b) Provision for bad debts *(Continued)*

(ii) Provision for bad debts made on a collective basis for accounts receivable is analysed as follows:

Portfolio 1 Government and state-owned enterprise customers:

	June 30, 2026			December 31, 2025		
	Accounts balance	Provision for bad debts		Accounts balance	Provision for bad debts	
	Amount (Unaudited)	Lifetime ECL rates	Amount (Unaudited)	Amount (Audited)	Lifetime ECL rates	Amount (Audited)
Within 1 year	279,490	3.66%	(10,218)	420,885	5.74%	(24,168)
1 to 2 years	56,086	6.12%	(3,434)	73,824	8.63%	(6,373)
2 to 3 years	270	7.04%	(19)	322	9.94%	(32)
Over 3 years	466	37.34%	(174)	414	40.34%	(167)
	336,312		(13,845)	495,445		(30,740)

Portfolio 2 Non-government and non-state-owned enterprise customers:

	June 30, 2026			December 31, 2025		
	Accounts balance	Provision for bad debts		Accounts balance	Provision for bad debts	
	Amount (Unaudited)	Lifetime ECL rates	Amount (Unaudited)	Amount (Audited)	Lifetime ECL rates	Amount (Audited)
Within 1 year	275,407	9.12%	(25,116)	143,441	4.56%	(6,538)
1 to 2 years	3,213	37.44%	(1,203)	1,514	31.97%	(484)
2 to 3 years	664	53.31%	(354)	647	55.80%	(361)
Over 3 years	29	93.10%	(27)	8	100.00%	(8)
	279,313		(26,700)	145,610		(7,391)

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

14 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(Continued)*

(1) Accounts receivable *(Continued)*

(b) Provision for bad debts (Continued)

(ii) Provision for bad debts made on a collective basis for accounts receivable is analysed as follows: (Continued)

Portfolio 3 Internal related parties of the Group:

	June 30, 2026			December 31, 2025		
	Accounts balance	**Provision for bad debts**		Accounts balance	Provision for bad debts	
	Amount (Unaudited)	**Lifetime ECL rates**	**Amount (Unaudited)**	Amount (Audited)	Lifetime ECL rates	Amount (Audited)
Within 1 year	**2,063,486**	**3.24%**	**(66,953)**	1,357,444	1.35%	(18,291)
1 to 2 years	**197,772**	**6.64%**	**(13,141)**	97,630	2.82%	(2,756)
2 to 3 years	**83,089**	**11.46%**	**(9,519)**	69,109	3.86%	(2,667)
Over 3 years	**–**	**–**	**–**	–		
	2,344,347		**(89,613)**	1,524,183		(23,714)

(2) Prepayments

	June 30, 2026		December 31, 2025	
	Amount (Unaudited)	**% of total prepayments**	Amount (Audited)	% of total prepayments
Within 1 year	**271,884**	**96.75%**	171,783	94.65%
1 to 2 years	**5,216**	**1.86%**	6,185	3.41%
2 to 3 years	**925**	**0.33%**	1,138	0.63%
Over 3 years	**2,992**	**1.06%**	2,390	1.32%
	281,017	**100.00%**	181,496	100.00%

As at June 30, 2026, prepayments aged over a year amounted to RMB9,133,000 (December 31, 2025: RMB9,713,000), which were primarily prepayments to suppliers. Since the suppliers have not yet fulfilled their delivery and service obligations, the payment has not been settled.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

14 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(Continued)*

(3) Other receivables

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Receivables from the internal related parties of the Group	**1,609,613**	1,375,605
Deposits and guarantees receivable	**7,216**	107,551
Dividends receivable	**4,699**	–
Advances to employees	**2,411**	1,329
Others	**4,382**	4,366
	1,628,321	1,488,851
Less: the provision for bad debts	**(313,667)**	(293,330)
	1,314,654	1,195,521

(a) The aging analysis of other receivables is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Within 1 year	**1,621,944**	1,484,822
1 to 2 years	**3,006**	539
2 to 3 years	**222**	106
Over 3 years	**3,149**	3,384
	1,628,321	1,488,851

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

14 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(Continued)*

(3) Other receivables *(Continued)*

(b) Changes in loss allowance and its account balance

The analysis of provision for bad debts for other receivables by stages is as follows:

	June 30, 2026				December 31, 2025			
	Accounts balance		Provision for bad debts		Accounts balance		Provision for bad debts	
	Amount (Unaudited)	% of total balance	Amount (Unaudited)	% of provision	Amount (Audited)	% of total balance	Amount (Audited)	% of provision
Stage 1	**1,059,818**	**65%**	**(11,450)**	**1.08%**	1,016,925	68%	(10,054)	0.99%
Stage 3	**568,503**	**35%**	**(302,217)**	**53.16%**	471,926	32%	(283,276)	60.03%
	1,628,321	**19%**	**(313,667)**	**19.26%**	1,488,851	20%	(293,330)	19.70%

	Stage 1		Stage 3		Total
	Accounts balance	Provision for bad debts	Accounts balance	Provision for bad debts	provision for bad debts
December 31, 2025	1,016,925	(10,054)	471,926	(283,276)	(293,330)
Transfer to Stage 3 this period	(126,711)	1,089	126,711	(1,089)	–
Net changes this period	169,604	(2,485)	(30,134)	(17,852)	(20,337)
June 30, 2026	**1,059,818**	**(11,450)**	**568,503**	**(302,217)**	**(313,667)**

As at June 30, 2026 and December 31, 2025, the Company did not have other receivables at Stage 2.

As at June 30, 2026, certain subsidiaries within the Group were in a net liability position. The Company identified the other receivables due from such subsidiaries as financial instruments in Stage 3 and measured the loss allowance at an amount equal to the expected credit losses over the entire lifetime of those receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

14 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(Continued)*

(3) Other receivables *(Continued)*

(b) Changes in loss allowance and its account balance (Continued)

(i) The analysis of other receivables for provision for bad debts in the Stage 3 is as follows:

	June 30, 2026			December 31, 2025			
	Accounts balance	**Lifetime ECL rates**	**Provision for bad debts**	Accounts balance	Lifetime ECL rates	Provision for bad debts	Reasons
Receivables from the internal related parties of the Group	**563,361**	**52.73%**	**(297,075)**	466,721	59.98%	(278,071)	The counterparty was in a net liability position
Deposits and guarantees receivable	**760**	**100.00%**	**(760)**	839	100.00%	(839)	Due over one year
Others	**4,382**	**100.00%**	**(4,382)**	4,366	100.00%	(4,366)	Due over one year
	568,503	**53.16%**	**(302,217)**	471,926	60.03%	(283,276)	

(ii) The analysis of other receivables for provision for bad debts in the Stage 1 is as follows:

	June 30, 2026			December 31, 2025		
	Accounts balance	**Provision for bad debts**		Accounts balance	Provision for bad debts	
	Amount	**Amount**	**% of provision**	Amount	Amount	% of provision
Deposits and guarantees receivable	**6,456**	**(89)**	**1.38%**	106,712	(236)	0.22%
Advances to employees	**2,411**	**(26)**	**1.08%**	1,329	(14)	1.05%
Receivables from the internal related parties of the Group	**1,050,951**	**(11,335)**	**1.08%**	908,884	(9,804)	0.74%
	1,059,818	**(11,450)**	**1.08%**	1,016,925	(10,054)	0.99%

(c) During the period, the provision for bad debts amounted to RMB70,040,000, and the collection or reversal of provision for bad debts was RMB49,703,000.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

14 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(Continued)*

(4) Long-term receivables

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Sales of goods by installments	**164,370**	183,974
Less: provision for bad debts	**(20,340)**	(9,712)
	144,030	174,262

The analysis of long-term receivables by category is as follows:

	June 30, 2026				December 31, 2025			
	Accounts balance		**Provision for bad debts**		Accounts balance		Provision for bad debts	
	Amount	**% of total balance**	**Amount**	**% of provision**	Amount	% of total balance	Amount	% of provision
Provision on an individual basis (i)	**29,245**	**18%**	**(14,623)**	**50.00%**	–	0%	–	0.00%
Provision on a collective basis (ii)	**135,125**	**82%**	**(5,717)**	**4.23%**	183,974	100%	(9,712)	5.28%
	164,370	**82%**	**(20,340)**	**4.23%**	183,974	100%	(9,712)	5.28%

The provision for bad debts of long-term receivables was all provided on a portfolio basis, analysed as follows:

	June 30, 2026			December 31, 2025		
	Accounts balance	**Provision for bad debts**		Accounts balance	Provision for bad debts	
	Amount	**Lifetime ECL rate**	**Amount**	Amount	Lifetime ECL rate	Amount
Government and state-owned enterprise customers	**120,889**	**3.66%**	**(4,419)**	169,047	5.34%	(9,032)
Non-government and non-state-owned enterprise customers	**14,236**	**9.12%**	**(1,298)**	14,927	4.56%	(680)
	135,125	**4.23%**	**(5,717)**	183,974	5.28%	(9,712)

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

14 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(Continued)*

(5) Long-term equity investments

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Subsidiaries	**6,026,418**	4,353,093
Associates and joint ventures	**65,435**	61,233
	6,091,853	4,414,326
Less: Provision for impairment of long-term equity investments		
Subsidiary (a)	**(1,182,700)**	(1,151,596)
Associates and joint ventures	**(58,444)**	(58,444)
	4,850,709	3,204,286

(a) Please refer to note 5 about the list of the subsidiaries of the Company. The Company recognized provision for asset impairment for some subsidiaries due to bad operation performance.

(6) Capital surplus

	December 31, 2025 (Audited)	**Increase in the current period**	**June 30, 2026 (Unaudited)**
Share premium (note 4 (32))	**12,780,954**	**–**	**12,780,954**
Share-based payments (note 7)	**349,174**	**–**	**349,174**
Others	**830,769**	**–**	**830,769**
	13,960,897	**–**	**13,960,897**

	December 31, 2024 (Audited)	Increase in the current year	June 30, 2025 (Unaudited)
Share premium (note 4 (32))	7,072,898	797,745	7,870,643
Share-based payments (note 7)	250,431	73,802	324,233
Others	830,769	–	830,769
	8,154,098	871,547	9,025,645

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026
(All amounts in RMB'000 unless otherwise stated)

14 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(Continued)*

(7) Revenue and cost of sales

	For the six months ended June 30, 2026		For the six months ended June 30, 2025	
	Revenue	**Cost of sales**	Revenue	Cost of sales
Sales of goods	**1,419,992**	**937,391**	475,221	436,275
Provision of services	**4,766**	**4,169**	1,266	425
	1,424,758	**941,560**	476,487	436,700

(8) Investment (loss)/income

	For the six months ended June 30, 2026 (Unaudited)	For the six months ended June 30, 2025 (Unaudited)
Investment loss from disposals of long-term equity investments	**–**	(69,599)
Investment income from holding of financial assets held for trading	**1,023**	1,878
Income on long-term equity investments accounted for using the cost method	**4,699**	–
Losses on long-term equity investments accounted for using the equity method	**(343)**	–
	5,379	(67,721)