



LIGHTELLIGENCE
曦智科技

Shanghai Xizhi Technology Co., Ltd.
上海曦智科技股份有限公司

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

Stock Code : 1879

20
26 INTERIM
REPORT



Contents

CORPORATE INFORMATION	2
WARNING UNDER RULE 18C.19(5) OF THE LISTING RULES	4
FINANCIAL SUMMARY	5
CORPORATE PROFILE	6
MANAGEMENT DISCUSSION AND ANALYSIS	7
CORPORATE GOVERNANCE AND OTHER INFORMATION	29
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION	46
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS	48
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS	49
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY	51
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS	53
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION	55
DEFINITIONS	106





Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Shen Yichen (*Chairman*)
Dr. Meng Huaiyu
Mr. Wang Long
Mr. Zhang Hong

Non-executive Directors

Mr. Yu Ze
Mr. Zhang Kun

Independent Non-executive Directors

Dr. Huang Weiping
Dr. Zhao Hang
Ms. Xu Lili

AUTHORISED REPRESENTATIVES

Mr. Zhang Hong
Ms. Yeung Siu Wai Kitty

AUDIT COMMITTEE

Ms. Xu Lili (*Chairperson*)
Dr. Huang Weiping
Dr. Zhao Hang

REMUNERATION COMMITTEE

Dr. Zhao Hang (*Chairperson*)
Dr. Shen Yichen
Dr. Huang Weiping

NOMINATION COMMITTEE

Dr. Huang Weiping (*Chairperson*)
Dr. Shen Yichen
Ms. Xu Lili

STRATEGY COMMITTEE

Dr. Shen Yichen (*Chairperson*)
Dr. Huang Weiping
Dr. Meng Huaiyu
Mr. Wang Long
Mr. Zhang Hong

JOINT COMPANY SECRETARIES

Ms. Lin Yifan
Ms. Yeung Siu Wai Kitty

LEGAL ADVISERS

As to Hong Kong laws
Davis Polk & Wardwell
10/F
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

As to PRC Law
Zhong Lun Law Firm
22-24F & 27-31F
South Tower of CP Center
20 Jin He East Avenue
Chaoyang District
Beijing
PRC

AUDITOR

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

Corporate Information

COMPLIANCE ADVISER

Rainbow Capital (HK) Limited

Office No. 710
7/F Wing On House
71 Des Voeux Road
Central
Hong Kong

REGISTERED OFFICE

Nos. 111, 125 and 139 Boxia Road
China (Shanghai) Pilot Free Trade Zone
Pudong New District
Shanghai
PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Nos. 111, 125 and 139 Boxia Road
China (Shanghai) Pilot Free Trade Zone
Pudong New District
Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

H SHARE REGISTRAR

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

STOCK CODE

1879

COMPANY WEBSITE

Website in Chinese
<https://www.xztech.ai/>

Website in English
<https://lightelligence.ai/>

PRINCIPAL BANKS

China Merchants Bank Shanghai Free Trade Zone Branch

No. 56, Bohang Road
Pudong New District
Shanghai
PRC

The Hong Kong and Shanghai Banking Corporation Limited

1 Queen's Road Central
Central
Hong Kong



Warning under Rule 18C.19(5) of the Listing Rules

Our Company is a Specialist Technology Company (as defined in Chapter 18C of the Listing Rules). In addition, our Company is a Pre-Commercial Company (as defined in Chapter 18C of the Listing Rules), which is a Specialist Technology Company that has not met the revenue requirement as set out in Rule 18C.03(4) of the Listing Rules.

WE MAY NOT BE ABLE TO ULTIMATELY ACHIEVE THE REVENUE REQUIREMENT AS SET OUT IN RULE 18C.03(4) OF THE LISTING RULES.

Financial Summary

	For the six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	79,779	20,793
Research and development expenses	(349,724)	(154,532)
Loss for the period	(3,256,744)	(346,269)
Add:		
Share-based payment expenses	182,685	38,270
Fair value changes of financial instruments issued to investors*	2,916,531	176,555
Listing expenses	10,383	—
Adjusted net loss (non-IFRS measure)*	(147,145)	(131,444)

- * Fair value changes of financial instruments issued to investors represents the change in fair value of the financial instruments with preferred rights held by our investors, which is non-cash in nature.

All financial instruments issued to investors were automatically converted into Shares upon the Listing. Accordingly, no further gains or losses related to valuation changes in these instruments would be recorded after the conversion.

- * Adjusted net loss is not defined under the IFRS. It represents the loss for the period adjusted by adding back (i) Share-based payment expenses, (ii) Fair value changes of financial instruments issued to investors, and (iii) Listing expenses. The share-based payment expenses and fair value changes of financial instruments issued to investors are non-cash reconciling items.



Corporate Profile

We are dedicated to the field of optoelectronic computing, an innovative paradigm that combines the advantages of photonics and electronics. Based on three core chip technologies — oNOC (Optical Network on Chip), oNET (Optical Inter-chip Networking), and oMAC (Optical Multiply Accumulate) — we have built a product and solution portfolio centered on optical interconnect and optical computing. Our technologies offer low latency, high throughput and low power consumption, with the aim of improving computing performance and advancing the next wave of innovation. According to Frost & Sullivan, we are the first company globally to achieve mass deployment of optoelectronic computing.

VISION

Our vision is to unleash the power of optical computing.

MISSION

Our mission is to transform cutting edge thinking into real world solutions.

CAPITAL MARKET MILESTONES

The ordinary shares of our Company have been listed on the Stock Exchange since April 28, 2026. We are a Specialist Technology Company listed under Chapter 18C of the Listing Rules.

Effective from September 7, 2026, our Company has been included as a constituent stock of the Hang Seng Composite Index, one of the benchmark indexes of the Stock Exchange.

Effective from September 7, 2026, our Company's shares have been included in the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programs. Following its inclusion, eligible investors in Chinese Mainland will have direct access to the trading of the Company's shares.

Management Discussion and Analysis

OVERVIEW

For the six months ended June 30, 2026, we derived revenue of RMB79.78 million, increasing by 284% from RMB20.79 million for the six months ended June 30, 2025. We recorded a consolidated gross profit margin of approximately 65.8%. Adjusted net loss was RMB147.15 million.

As at June 30, 2026, our cash balance was RMB2,858.63 million (comprising cash and cash equivalents, short-term bank deposits, long-term bank deposits, financial assets at fair value through profit or loss, and restricted cash), reflecting a sound financial position. Monthly cash burn was stable, and cash cycle management remained healthy and orderly.

Relying on our optoelectronic chip design capability and commercialization foundation, we have entered an accelerated growth stage shifting from commercial deployment to large-scale commercial delivery. This progress stems from both market breakthrough of high value-added products and continuous optimization of existing products, which consolidate the foundation of our high-quality growth.

BUSINESS REVIEW

The business review set out below provides an overview of the Group's business and performance since January 1, 2026. Unless otherwise expressly indicated as having occurred during the Reporting Period, the business review includes material events and developments that took place during the Reporting Period and after the end of the Reporting Period and up to the date of this interim report.

Pursuant to Rule 18C.19A, we also set out below the commercialization activities and research and development progress of our Specialist Technology Products during the Reporting Period, including (i) Next Generation Scale-up Solutions: Near-Packaged Optics (NPO) and Co-Packaged Optics (CPO), Transceiver PIC, CPO Switch Solution under our optical interconnect product line; and (ii) PACE 3 under our optical computing product line.



Management Discussion and Analysis

1. Commercial deployment and technological advancement of optical interconnect progress in parallel

During the Reporting Period, revenue from our optical interconnect business grew strongly, from RMB16.17 million for the six months ended June 30, 2025 to RMB60.70 million for the six months ended June 30, 2026, representing an increase of 275%. This growth was mainly driven by the broader commercial deployment of Scale-up OCS.

- ***Scale-up OCS achieves full commercial deployment, with an upgraded solution enabling next-generation supernodes***

Our LightSphere X — the first domestically developed GPU supernode solution featuring optical interconnect and optical switching, based on our leading distributed optical circuit switch (dOCS) technology — continued to make steady progress in commercialization.

During the World Artificial Intelligence Conference 2026 (“**WAIC 2026**”) held in July 2026, we officially announced the successful deployment of a several-thousand-GPU cluster powered by LightSphere X. This marked the completion of China’s first commercialized, domestically developed optical-switching computing cluster comprising over 1,000 GPUs, with the OCS silicon photonics PIC also entering mass production.

Furthermore, to enable next-generation supernodes, we, together with leading domestic compute-power providers, launched a next-generation optical-switching and electrical-switching Scale-up networking solution. The solution enables supernodes to be scaled up further, allows flexible reconfiguration of physical topologies, substantially reduces power consumption and lowers latency to the hundreds-of-nanoseconds level. Based on the solution, the project jointly launched by the Company, and our partners was awarded the SAIL Star at the WAIC Superior AI Leader (SAIL) Award. This marks the Company’s second consecutive SAIL Award.

- ***Scale-up EPS records overseas growth, while NPO moves toward commercialization***

During the Reporting Period, our Scale-up EPS business delivered a solid performance in overseas markets and realized revenue growth. Following years of customer development, we have now completed design-in with multiple customers and established long-term and stable cooperative relationships with leading partners.

Management Discussion and Analysis

At the same time, we have observed that Near-Packaged Optics (NPO) — by shortening data-transmission distances, increasing bandwidth density, facilitating maintenance and enabling the reuse of existing supply chains, is regarded by the industry as a relatively deployment ready Scale-up optical interconnect technology. NPO deployment has shown a clear acceleration trend since the beginning of 2026.

Leading domestic cloud service providers are actively advancing scale deployment and validation of 3.2T NPO and conducting research on 6.4T NPO, while announcing plans for the deployment and validation for NPO clusters. Meanwhile, overseas cloud service providers are assessing NPO solutions through their supply chains.

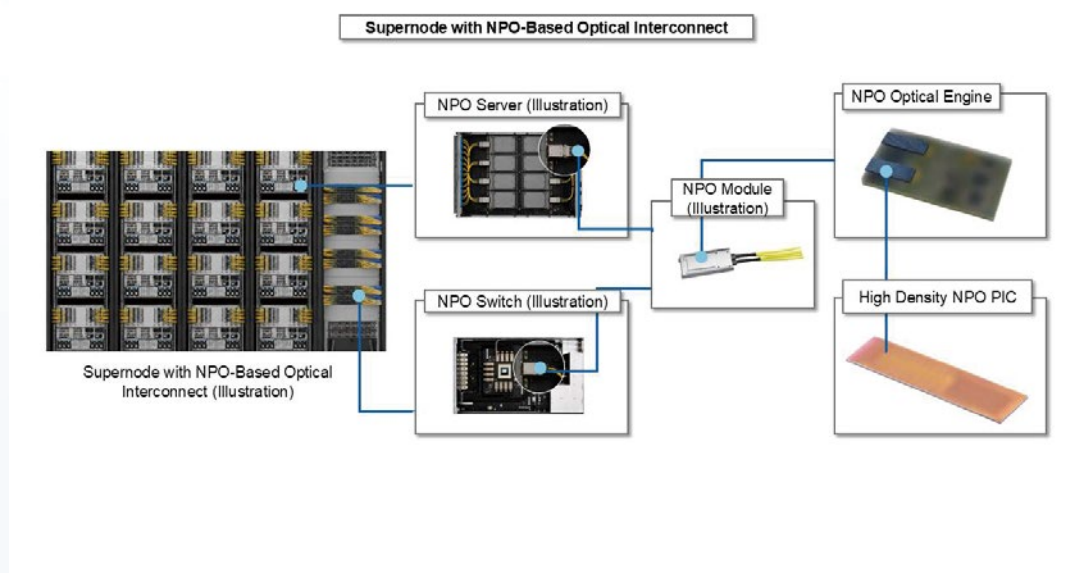
Establishment of an NPO standardization system is also accelerating. Currently, domestic and overseas standardization organizations have begun defining 6.4T/12.8T NPO standards. Cloud service provider and the industry participants are jointly driving specifications convergence and the development of ecosystem. We are actively participating in NPO standard setting in many organizations, laying an ecosystem foundation for large-scale deployment of silicon photonics-based NPO solutions.

Management Discussion and Analysis

Following the industry trend and our development roadmap and as planned in our Prospectus, our Scale-up EPS product portfolio has transitioned from pluggable LPO to NPO:

We have launched multiple NPO silicon photonic PICs that are undergoing validation by multiple leading customers. Among them, our 3.2T NPO product has passed testing in an end-customer application scenario and completed tape-out, while our 6.4T NPO product is under joint development with customers.

We have begun providing hardware samples of next-generation Scale-up solutions based on NPO technology, and are conducting active business expansion on the customer side. Our self-developed NPO photonic chip has completed full-link validation in multiple customer projects and is approaching commercialization. With mature tape-out process and stable mass-production delivery capability, we have jointly conducted application-scenario validation of NPO switches and GPUs with our partners and publicly demonstrated the progress.



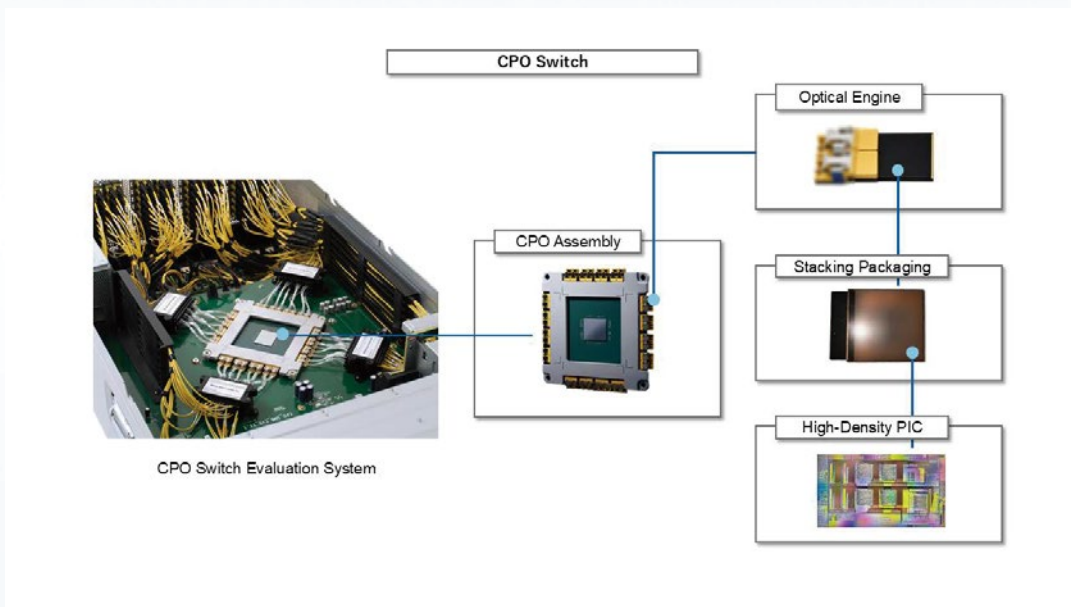
- ***CPO industrialization is accelerating***

As the ultimate objective of optical interconnect development roadmap, Co-Packaged Optics (CPO) integrates the optical engine and host chip within the same package substrate, thereby further shortening copper interconnects, optimizing signal integrity and increasing overall interconnect bandwidth density. Compared with NPO, CPO requires deeper technical coordination with host chip vendors.

Management Discussion and Analysis

We have also observed that leading overseas compute-chip and interconnect-chip companies, together with foundries and packaging providers, have invested substantial resources to address bottlenecks across the CPO value chain with a view to achieving large-scale commercialization.

Our CPO industrialization has achieved a milestone breakthrough. As planned in our Prospectus, we have completed a proof-of-concept demonstration based on next-generation switch ASICs. During the WAIC 2026, we announced a strategic cooperation with a leading switch-ASIC design enterprise and jointly launched a CPO switch evaluation system. In collaboration with foundries and packaging providers, the evaluation system is equipped with a mass-produced switch ASIC, and its optical engine adopts our silicon photonic products and packaging technology, marking that domestic CPO technology has progressed from concept demonstration to engineering validation.



- ***Scale-out business progresses as planned***

Our transceiver PICs for Scale-out interconnects are progressing as planned. Certain PICs are undergoing module-level testing by customers, while others are at the design-iteration stage, covering application scenarios including 800G and 1.6T optical modules. Such high-speed optical modules with transceiver PICs will form the backbone of Scale-out interconnect, linking network interface cards and switches, as well as enabling high-speed interconnect between switches. In addition, we deeply participate in process development and iteration at partner foundries, enabling us to rapidly optimize product performance, shorten design-to-manufacturing cycle, and ensure yield in mass production.



Management Discussion and Analysis

2. Optical computing achieves progress in commercial validation, with R&D advancing steadily

During the Reporting Period, revenue from our optical computing business increased significantly, from RMB4.62 million for the six months ended June 30, 2025 to RMB19.08 million for the six months ended June 30, 2026, increasing by 313%. In addition to contribution from Gazelle, our high-precision optical computing evaluation hardware, this growth also benefited from increased sales of PACE 2.

- ***PACE 2: dual-track sales model for single-card and cluster deployments, with successful expansion into edge computing scenarios***

During the Reporting Period, shipments of PACE 2 continued, and we achieved stable, real-world deployment in edge computing scenarios.

During WAIC 2026, we launched "PACE 2 • LightCube", the world's first optoelectronic intelligent-computing integrated machine. Powered by our commercialized optoelectronic computing chip PACE 2, the product targets edge computing and high-performance linear computing acceleration scenarios. As the world's first product to achieve stable, long-term optical computing operation in real-world, high-frequency edge scenarios, it challenges the industry perception that optical computing is only used in laboratories and specific scientific computing. The product also introduces the world's first integrated-machine form optoelectronic computing architecture, integrating a complete computing system into a compact chassis and enabling plug-and-play deployment in edge scenarios. At the ecosystem level, its software stack is deeply compatible with mainstream AI frameworks. We have jointly completed multi-scenario algorithm adaptation with partners, building a complete industrial ecosystem from hardware to applications.

We first refined the product through internal deployment. Our office access-control system was the first application to be equipped with "PACE 2 • LightCube" devices. The system, which is used by hundreds of our employees, is currently operating smoothly. The next landing scenario for "PACE 2 • LightCube" is the chip-design workflow. Currently, the chip-design industry generally relies on large-model inference to assist R&D. We plan to use our self-developed optical computing devices to undertake internal chip-design inference tasks, continuously polishing the software ecosystem.

Management Discussion and Analysis

In the same period, we also signed strategic partnership agreements with leading domestic internet and artificial intelligence enterprises, financial institutions, scientific-research institutions and compute-infrastructure providers, jointly exploring vertical landing scenarios including low-latency inference, embodied AI, AI for science, financial intelligent interaction, and commercial aerospace.



(PACE 2 • LightCube)



Management Discussion and Analysis

- ***PACE 3 R&D and engineering development advance steadily***

For our next-generation optoelectronic computing chip PACE 3 and as planned in our Prospectus, both the PIC and EIC have delivered for tape-out, and the PIC has returned from fabrication. We will subsequently proceed with system validation.

Building upon the computer-vision-class application and Ising algorithm acceleration capabilities of PACE 2, PACE 3 is designed to support large-model inference and multi-card interconnection scaling, marking a further step in the evolution of optical computing toward a general-purpose optoelectronic computing platform. At the application level, PACE 3 is suitable for on-device real-time inference scenarios, and can also be deployed in intelligent computing centers through multi-card interconnection to handle highly concurrent online inference tasks, achieving low-latency inference coverage from the edge to the cloud.

The Company will continue to advance packaging integration and system validation, take appropriate measures to mitigate risks arising during the R&D process and seek to adapt PACE 3 for large-model inference scenarios from the edge to the cloud.

- ***Gazelle sales increase as we jointly develop the application ecosystem***

Our high-precision optical computing evaluation hardware Gazelle achieved sales growth during the Reporting Period. To attract more developers to jointly build the application ecosystem, we provided Gazelle and the photonic computing simulator platform LTSimulator as competition platform for the 2026 10th National College Integrated Circuit Innovation Contest ("**ICIC**").

ICIC is one of the largest and most influential university competitions in the domestic integrated-circuit field, and the only integrated-circuit professional competition selected into the national university competition ranking of the China Association of Higher Education. In this contest, we set the proposition "Optical Chip Application Development", the first in ICIC history to introduce an "Optical Chip" track, attracting 150 teams from over 60 universities. The Gazelle and LTSimulator allow participants to fully utilize photonic computing characteristics to develop innovative photonic computing algorithms and applications.

Management Discussion and Analysis

PROSPECTS AND OUTLOOK

Looking ahead, as AI cluster scales leap from thousands to tens of thousands and even hundreds of thousands of chips, the development path of global AI infrastructure is becoming clearer than ever: the core bottleneck is shifting from "single-chip peak performance" to "interconnect energy efficiency, density, and reliability," and interconnect architectures are evolving at an accelerated pace along the path of increasing integration — LPO, NPO, and CPO. The essence of this path is a gradual transition from interconnects dominated by electrical chips and copper cables to high-density optical interconnects — a direction that has reached broad consensus across the global industry. In overseas markets, leading vendors are making every effort to advance the adoption of optical interconnects in ultra-large-scale training clusters. In the Chinese market, the challenges faced by electrical chips in advanced process nodes further compel the underlying infrastructure to complete the transition from electrical to optical interconnects at an even faster pace. Only by achieving this generational leap can the collaborative potential of hundreds of thousands of computing chips be fully unlocked. For this reason, we believe that silicon photonic chips have become an irreplaceable core component across global computing-power upgrades, and that the deep integration of photonic and electronic chips will drive optical chips to capture a substantial share of the AI inference chip market in the years ahead. Meanwhile, leveraging its inherent physical properties, optical computing is expected to work in synergy with GPUs in large-model inference and achieve large-scale coexistence with electrical computing, becoming a critical building block of the next generation of computing architectures.

As the optical engine progressively evolves from LPO to NPO and CPO, and the electrical channel distance to the host chip is compressed from the centimeter scale to the millimeter scale, the responsibility for ensuring signal integrity shifts from the electrical chip to optoelectronic co-design itself — which is precisely the moat we have been steadily building since our establishment. After removing the digital signal processor (DSP) and transferring signal-processing functions back to the host system, we can deeply integrate with GPU, switch-chip, and packaging partners to jointly deliver end-to-end signal-integrity solutions for the complete link — from the sending-end host chip to the receiving-end host chip. This integrated co-design capability is the core competitive strength that enables us to participate in computing-network buildouts in both domestic and international markets simultaneously.



Management Discussion and Analysis

Looking ahead, we will consolidate our leadership in complex optoelectronic chip design, packaging design, and 3D optoelectronic integration, and will continue to deliver increasingly competitive products along our roadmap. Our experience in bringing up and delivering system-level links in overseas markets is progressively validating our ability to supply at scale for the global market, and we will continue to accelerate the build-out of localized technical support and customer-response frameworks for international clients. With respect to optical computing — a long-term strategy — we will continue to tackle the challenges of optical-matrix scale-up and software-hardware co-optimization, and will work hand in hand with GPU vendors, server manufacturers, and algorithm-framework developers to advance the adaptation and optimization of optoelectronic computing at the application-software layer, drive the tangible deployment of real-world scenarios, and cultivate a chip-to-system optical computing ecosystem, transforming optoelectronic computing from a technical advantage into an industrially scalable delivery advantage.

We believe that, by committing ourselves to developing useful technologies and, in an era of exploding computing demand, providing global customers with solutions that enable advances in computing power and working with partners to build a smarter and more sustainable world, we can turn inspiration into reality and contribute a core driving force to the exponential growth of computing power in the AI era.

Based on our business developments and market opportunities during the Reporting Period, as well as our development strategies, commercialization plans and relevant analysis disclosed in the Prospectus, and subject to the reasonable estimates and assumptions disclosed in the Prospectus, we expect our revenue in 2027 would reach the revenue threshold of a Commercial Company (as defined under Chapter 18C of the Listing Rules), and we anticipate we will be able to qualify as a Commercial Company by 2027.

FINANCIAL REVIEW

The management discussion and analysis is based on our condensed consolidated interim financial information prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board.

Management Discussion and Analysis

DESCRIPTION OF SELECTED ITEMS FROM CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

Revenue

We derive revenue primarily from two business lines: (i) optical interconnect business and (ii) optical computing business. During the Reporting Period, substantially all of our revenue was generated from the China market.

The following table sets forth a breakdown of our revenue by segment, in absolute amounts, for the periods indicated:

	For the six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Optical interconnect business		
Sale of products		
— Scale-up products	55,907	10,916
— Scale-out products	—	5,111
Technology development services and others	4,792	144
Subtotal of optical interconnect business	60,699	16,171
Optical computing business		
Sale of products	18,478	2,735
Technology development services and others	602	1,887
Subtotal of optical computing business	19,080	4,622
Total Revenue	79,779	20,793

Our revenue increased by 284% from RMB20.79 million for the six months ended June 30, 2025 to RMB79.78 million for the six months ended June 30, 2026, primarily due to an increase of approximately RMB44.53 million in revenue from optical interconnect business and an increase of approximately RMB14.46 million in revenue from optical computing business.



Management Discussion and Analysis

Optical interconnect business. Revenue generated from optical interconnect business increased from RMB16.17 million for the six months ended June 30, 2025 to RMB60.70 million for the six months ended June 30, 2026, primarily due to the revenue generated from sales of Scale-up products increased from RMB10.92 million to RMB55.91 million. In particular, benefiting from the launch of the "LightSphere X" supernode solution and following over a year of collaboration and refinement with some leading partners, the "LightSphere X" supernode solution has now successfully achieved commercial implementation, establishing the first domestically developed distributed optical interconnect and optical switching GPU supernode solution. In addition, the Company has received orders for OCS products from other customers and the pricing of OCS products has also improved during the Reporting Period.

The revenue of the Scale-up EPS product was primarily derived from overseas markets during the Reporting Period. Following years of customer development, the Company has now completed design-in with a number of overseas customers and has established long-term and stable cooperative relationships with leading partners.

Optical computing business. Revenue generated from our optical computing business increased from RMB4.62 million for the six months ended June 30, 2025 to RMB19.08 million for the six months ended June 30, 2026, primarily due to the continued sales of optical computing hardware products in the single-card sales model during the Reporting Period, including the PACE series and Gazelle, following over a year of commercialisation efforts since the launch of the PACE 2 in March 2025.

Cost of Sales; Gross profit, Gross profit margin

Our cost of sales increased by 118% from RMB12.49 million for the six months ended June 30, 2025 to RMB27.26 million for the six months ended June 30, 2026, which was in line with the growth in revenue.

During the Reporting Period, the Company recorded a consolidated gross profit margin of approximately 65.8%, as compared with approximately 40.0% for the corresponding period last year. Gross profit increased by approximately RMB44.22 million, representing a growth of 532% as compared with the corresponding period last year.

Management Discussion and Analysis

Optical interconnect business. The gross profit margin of the optical interconnect business recorded an increase during the Reporting Period, primarily attributable to the launch of the Scale-up OCS product, and the improved performance of the Scale-up EPS product in overseas markets. Benefiting from the launch of the "LightSphere X" supernode solution, the Company also received orders for OCS products from other customers, and the pricing of OCS products has also improved during the Reporting Period. In addition, the Scale-up EPS product has performed well in overseas markets with stable pricing, which in turn contributed to the gross profit margin growth of this business as compared with the corresponding period last year.

Optical computing business. During the Reporting Period, revenue from the optical computing business was primarily derived from the continued sales of optical computing hardware products in the single-card sales model, including the PACE series and Gazelle. Under this model, the pricing, costs and gross profit margin of these products remained relatively stable. Relative to the sale of optical computing clusters, the gross margin for the sale of single-card model is higher.

Research and Development Expenses

Our research and development expenses increased by 126% from RMB154.53 million for the six months ended June 30, 2025 to RMB349.72 million for the six months ended June 30, 2026. As compared with the corresponding period last year, such increase was primarily due to an increase in employee benefits expenses, including an increase of approximately RMB73.89 million in share-based compensation expenses, coupled with other research and development expenses related to projects about optical computing and optical interconnect business.

The table below sets forth a breakdown of R&D expenses:

	For the six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Employee benefits expenses	171,379	92,268
Intellectual property license expenses	15,230	2,731
Design and development expenses	65,809	19,599
Depreciation and amortization	65,910	31,737
Raw materials, consumables used and outsourcing costs	25,584	3,252
Other expenses	5,812	4,945
Total	349,724	154,532



Management Discussion and Analysis

Selling and Marketing Expenses

Our selling and marketing expenses increased by 86% from RMB21.24 million for the six months ended June 30, 2025 to RMB39.50 million for the six months ended June 30, 2026. Such increase was primarily due to an increase in employee benefits expenses, including share-based compensation expenses.

General and Administrative Expenses

Our general and administrative expenses increased by 124% from RMB53.94 million for the six months ended June 30, 2025 to RMB120.96 million for the six months ended June 30, 2026. Such increase was primarily due to an increase in employee benefits expenses, including share-based compensation expenses.

Reversal of Impairment of Financial Assets

We recorded a reversal of impairment of financial assets of RMB0.16 million for the six months ended June 30, 2026, as compared to RMB0.35 million for the six months ended June 30, 2025, primarily due to a decrease in trade receivables and other receivables.

Other Income

Our other income increased by 128% from RMB52.85 million for the six months ended June 30, 2025 to RMB120.58 million for the six months ended June 30, 2026, primarily driven by an increase in government grants received in support of our operations and innovation-related R&D activities.

Other Losses

Our other losses increased from RMB3.95 million for the six months ended June 30, 2025 to RMB14.49 million for the six months ended June 30, 2026, primarily attributable to net foreign exchange losses.

Finance Income

Our finance income increased by 205% from RMB3.96 million for the six months ended June 30, 2025 to RMB12.08 million for the six months ended June 30, 2026, primarily due to the increase in interest income from bank deposits.

Management Discussion and Analysis

Fair Value Changes of Financial Instruments Issued to Investors

Our fair value changes of financial instruments issued to investors changed from RMB176.56 million for the six months ended June 30, 2025 to RMB2,916.53 million for the six months ended June 30, 2026, primarily due to a change in fair value of the financial instruments with preferred rights held by our investors, which is non-cash in nature.

All financial instruments issued to investors were automatically converted into Shares upon the Listing. Accordingly, no further gains or losses related to valuation changes in these instruments would be recorded after the conversion.

Loss for the Period

As a result of the foregoing, our loss for the period changed from RMB346.27 million for the six months ended June 30, 2025 to RMB3,256.74 million for the six months ended June 30, 2026.

Non-IFRS Financial Measure

We use adjusted net loss (non-IFRS measure), which is a non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted net loss (non-IFRS measure) helps identify underlying trends in our business and provides useful information about our results of operations, enhances the overall understanding of our past performance and future prospects and allows for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

Adjusted net loss (non-IFRS measure) should not be considered in isolation or construed as an alternative to net loss or any other measure of performance or as an indicator of our operating performance. Investors are encouraged to review adjusted net loss (non-IFRS measure). Adjusted net loss (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

We define adjusted net loss (non-IFRS measure) as net loss adjusted by adding back (i) share-based payment expenses, which include share-based payment to employees, consultants and an investor, (ii) fair value changes of financial instruments issued to investors, and (iii) listing expenses. Share-based payment expense is non-cash in nature. All the financial instruments issued to investors were re-classified from financial liabilities to equity as a result of the automatic conversion into our Shares upon the Listing. The fair value changes of financial instruments issued to investors is a non-cash reconciling item. Listing expenses primarily relate to expenses incurred in relation to the Listing.

Management Discussion and Analysis

The following table sets forth our adjusted net loss (non-IFRS measure) for the periods indicated:

	For the six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Loss for the period	(3,256,744)	(346,269)
Add:		
Share-based payment expenses	182,685	38,270
Fair value changes of financial instruments issued to investors	2,916,531	176,555
Listing expenses	10,383	—
Adjusted net loss for the period (non-IFRS measure)	(147,145)	(131,444)

Our adjusted net loss changed from RMB131.44 million for the six months ended June 30, 2025 to RMB147.15 million for the six months ended June 30, 2026. It remained broadly unchanged as compared with the corresponding period last year.

DESCRIPTION OF SELECTED ITEMS OF CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets decreased from RMB134.15 million as of December 31, 2025 to RMB130.45 million as of June 30, 2026, primarily due to the slight decrease in prepayments for purchases.

Trade Receivables

Our trade receivables decreased from RMB87.22 million as of December 31, 2025 to RMB71.83 million as of June 30, 2026, primarily driven by effective management of trade receivables and timely collection of proceeds during the Reporting Period.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss decreased from RMB324.97 million as of December 31, 2025 to RMB94.29 million as of June 30, 2026, primarily due to a reduction in the amount of wealth management products purchased.

Management Discussion and Analysis

Trade Payables

Our trade payables increased from RMB6.74 million as of December 31, 2025 to RMB8.16 million as of June 30, 2026, primarily due to an increase in payables for purchases.

Other Payables and Accruals

Our other payables and accruals decreased from RMB78.04 million as of December 31, 2025 to RMB50.07 million as of June 30, 2026, primarily due to a decrease in salaries and benefits payables during the Reporting Period.

Lease Liabilities

Our lease liabilities decreased from RMB26.70 million as of December 31, 2025 to RMB20.18 million as of June 30, 2026, primarily driven by lease payments made during the Reporting Period.

Contract Liabilities

Our contract liabilities decreased from RMB21.62 million as of December 31, 2025 to RMB17.84 million as of June 30, 2026, primarily due to changes in advances from customers.

Cash Balance

The change in cash balance (comprising cash and cash equivalents, short-term bank deposits, long-term bank deposits, financial assets at fair value through profit or loss, and restricted cash) from RMB636.39 million as of December 31, 2025 to RMB2,858.63 million as of June 30, 2026 was primarily attributable to the proceeds raised from the Listing and increased collections from sales.

Gearing Ratio

Our gearing ratio, calculated as total liabilities divided by total equity, increased from -127% as of December 31, 2025 to 12% as of June 30, 2026, primarily due to the Listing during the Reporting Period.



Management Discussion and Analysis

LIQUIDITY AND CAPITAL RESOURCES

For the six months ended June 30, 2026, we financed our capital expenditure and working capital requirements primarily through cash generated from our business operations and financing activities (including the proceeds from the Listing). Our principal uses of cash include research and development activities, general working capital requirements and capital expenditures. We intend to continue relying on cash flows generated from operations and financing activities to meet our liquidity requirements. As of June 30, 2026, the sum of our cash and cash equivalents, short-term bank deposits, and financial assets at fair value through profit or loss was RMB2,838.17 million, compared with RMB616.22 million as of December 31, 2025.

Description of Selected Items from Condensed Consolidated Interim Statements of Cash Flows

Net cash used in operating activities

Our net cash used in operating activities changed from RMB92.73 million for the six months ended June 30, 2025 to RMB187.61 million for the six months ended June 30, 2026, primarily due to the changes in operating activities.

Net cash used in investing activities

Our net cash used in investing activities changed from RMB465.14 million for the six months ended June 30, 2025 to RMB1,367.51 million for the six months ended June 30, 2026, primarily due to an increase in placement of bank deposits.

Net cash generated from financing activities

Our net cash generated from financing activities changed from RMB655.68 million for the six months ended June 30, 2025 to RMB2,435.46 million for the six months ended June 30, 2026, primarily due to the proceeds raised from the Listing during the Reporting Period.

CONTINGENT LIABILITIES

For the six months ended June 30, 2026, we did not have material contingent liabilities that were expected to materially and adversely affect our financial condition or results of operations.

RESEARCH AND DEVELOPMENT EXPENDITURE

For the six months ended June 30, 2025 and 2026, our R&D expenditure primarily consisted of R&D expenses adjusted by (i) intangible assets acquired from third parties and capitalized and (ii) amortization expense of capitalized intangible assets included in Research and development expenses.

Management Discussion and Analysis

The table below sets forth our Research and development expenditure for the periods indicated:

	For the six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Research and development expenses	349,724	154,532
Adjustments:		
Add: Intangible assets acquired from third parties and capitalized	—	2,728
Less: Amortization expense of capitalized intangible assets included in Research and development expenses	(18,949)	(15,888)
Total research and development expenditure	330,775	141,372

CAPITAL EXPENDITURES AND COMMITMENTS

Capital Expenditures

Our capital expenditures primarily relate to purchases of property, plant and equipment, intangible assets and right-of-use assets. For the six months ended June 30, 2025 and 2026, we incurred capital expenditures of RMB18.10 million and RMB53.11 million, respectively.

Capital Commitments

Our capital expenditure commitments primarily consist of commitments to procure property, plant and equipment, and intangible assets. As of December 31, 2025 and June 30, 2026, we had capital commitments of RMB41.38 million and RMB20.20 million, respectively.



Management Discussion and Analysis

FOREIGN EXCHANGE

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the group entities' functional currency. The Company's functional currency is RMB. The Company's subsidiaries were incorporated in Chinese Mainland, Singapore, and Hong Kong SAR and these subsidiaries considered RMB, USD, and USD as their functional currencies, respectively. We closely monitor our foreign exchange exposures and will take actions as necessary to mitigate the impact of exchange rate fluctuations.

PLEDGE OF ASSETS

As of June 30, 2026, we did not have any material pledge of assets.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

During the Reporting Period, we did not hold any significant investments, nor did we undertake any material acquisitions or disposals of subsidiaries, associates or joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of June 30, 2026, we did not have any specific plans for material investments or acquisition of capital assets, other than those disclosed in the Prospectus and this interim report.

EMPLOYEES AND REMUNERATION POLICY

As of June 30, 2026, we had 249 employees. Total employee benefit expenses for the six months ended June 30, 2026 amounted to RMB302.43 million (including share-based compensation expenses).

We provide remuneration packages including salaries, bonuses, social insurance contributions, housing provident fund and other welfare benefits. We also provide share-based incentive schemes to eligible employees. We regularly provide training and development programs to enhance employee skills and capabilities.

Management Discussion and Analysis

USE OF PROCEEDS FROM LISTING

The H Shares of the Company were listed on the Main Board of the Stock Exchange on April 28, 2026.

In connection with the Company's Global Offering, 13,795,215 H Shares were issued at HK\$183.2 per H Share before the exercise of the Over-allotment Option. The net proceeds from the Global Offering, after deducting underwriting commissions, fees and estimated expenses payable by the Company in connection with the Global Offering, amounted to approximately HK\$2,376.9 million.

The Over-allotment Option was fully exercised on May 11, 2026 in respect of an aggregate of 2,069,280 additional H Shares at HK\$183.2 per H Share. The Company received additional net proceeds of approximately HK\$363.9 million from the full exercise of the Over-allotment Option. Accordingly, the total net proceeds received by the Company from the Global Offering and the full exercise of the Over-allotment Option amounted to approximately HK\$2,740.8 million.

As of June 30, 2026, the Group had utilized approximately HK\$50.8 million of the net proceeds from the Global Offering and the full exercise of the Over-allotment Option. There was no change in the intended use of net proceeds as previously disclosed in the Prospectus. The Group will continue to utilize the net proceeds in accordance with the purposes and proportions set out in the Prospectus.

The following table sets forth the planned applications of the net proceeds, the actual usage up to June 30, 2026 and the expected time frame for utilization of the unutilized net proceeds:

Use of proceeds	Amount of net proceeds for planned applications (HK\$ million)	Percentage of total net proceeds	Utilized net proceeds as of June 30, 2026 (HK\$ million)	Unutilized net proceeds as of June 30, 2026 (HK\$ million)	Expected time frame of unutilized amount
Research and development	1,918.6	70.0%	40.1	1,878.5	By 2031
(i) Research and development of optical interconnect hardware and solutions	959.3	35.0%	25.9	933.4	By 2031
—Development of chip design technology	685.2	25.0%	25.2	660.0	By 2031
—Product improvement and commercialization	274.1	10.0%	0.7	273.4	By 2031
(ii) Research and development of optical computing products	959.3	35.0%	14.2	945.1	By 2031

Management Discussion and Analysis

Use of proceeds	Amount of net proceeds for planned applications (HK\$ million)	Percentage of total net proceeds	Utilized net proceeds as of June 30, 2026 (HK\$ million)	Unutilized net proceeds as of June 30, 2026 (HK\$ million)	Expected time frame of unutilized amount
Commercialization efforts	548.2	20%	0.8	547.4	By 2031
(i) Expansion of product development team	274.1	10%	0.4	273.7	By 2031
(ii) Expansion of sales and marketing team	274.1	10%	0.4	273.7	By 2031
Working capital and general corporate purposes	274.0	10%	9.9	264.1	By 2031
Total	2,740.8	100%	50.8	2,690.0	—

Note: Expected time frame of unutilized amount is based on the Group's best estimates and will be subject to the actual and future development of market conditions.

To the extent that the net proceeds are not immediately required for the above purposes and to the extent permitted by relevant laws and regulations, the Company will only place such net proceeds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or applicable laws in the relevant jurisdictions.

As of June 30, 2026, the Directors were not aware of any change in the planned use of the net proceeds. The above expected timeline for utilization of the unutilized net proceeds is based on the Directors' best estimation barring unforeseen circumstances, and may be subject to change based on the future development of the Group and market conditions. The Company will make an appropriate announcement if there is any change to the proposed use of proceeds.

Corporate Governance and Other Information

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

As of June 30, 2026, the interests and short positions of the Directors and chief executive of the Company in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were 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 in which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in Shares and underlying Shares

Name of Director	Nature of interest	Number and class of Shares ⁽¹⁾	Approximate Percentage of shareholding in the Unlisted Shares/H Shares ⁽²⁾	Approximate Percentage of the total share capital ⁽²⁾
Dr. Shen Yichen	Beneficial owner and interest in controlled corporations ⁽³⁾	9,641,187 Unlisted Shares (L)	56.10%	10.25%
	Beneficial owner and interest in controlled corporations ⁽³⁾	9,641,188 H Shares (L)	12.55%	10.25%
Mr. Zhang Hong	Interest in controlled corporation ⁽⁴⁾	2,390,394 Unlisted Shares (L)	13.91%	2.54%
	Interest in controlled corporation ⁽⁴⁾	2,390,395 H Shares (L)	3.11%	2.54%



Corporate Governance and Other Information

Notes:

- (1) The letter "L" denotes long positions.
- (2) As of June 30, 2026, the total number of issued shares of the Company was 94,037,377 shares, consisting of 17,186,801 Unlisted shares and 76,850,576 H Shares. The letter (L) refers to long position in the shares.
- (3) Dr. Shen Yichen ("**Dr. Shen**") was interested in Shares as follow: (i) 2,959,064 Unlisted Shares and 2,959,064 H Shares were held by Dr. Shen, (ii) Shanghai Youguang Yihui Enterprise Management Partnership (LP) ("**Youguang Yihui**") held 4,291,729 Unlisted Shares and 4,291,729 H Shares, with Shanghai Youguang Shuoran Enterprise Management Company Limited ("**Youguang Shuoran**") as its general partner, which was held as to 80% by Dr. Shen. Therefore, Dr. Shen is deemed to be interested in the Shares held by Youguang Yihui and (iii) Shanghai Youguang Zhiyuan Enterprise Management Partnership (LP) ("**Youguang Zhiyuan**") held 2,390,394 Unlisted Shares and 2,390,395 H Shares. Shanghai Guangzhiyuan Benyuan Origin Enterprise Management Partnership (Limited Partnership) (上海光致遠本源企業管理合夥企業(有限合夥)) was interested in Youguang Zhiyuan as to approximately 51.5383%, which is in turn held by Dr. Shen as to 35.9321% as limited partner. Therefore, Dr. Shen is deemed to be interested in the Shares held by Youguang Zhiyuan.
- (4) The general partner of Youguang Zhiyuan is Shanghai Youguang Yuning Enterprise Management Co., Ltd. (上海有光煜寧企業管理有限公司), which is held by Mr. Zhang Hong as to 80%. Mr. Zhang Hong was deemed to be interested in the Shares held by Youguang Zhiyuan.

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

Corporate Governance and Other Information

INTERESTS OF THE SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As of June 30, 2026, so far as the Directors were aware, the following persons (not being a Director or chief executive of the Company) had or were deemed or taken to have interests or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

Interests in the Shares

Name of Shareholder	Nature of interest	Number and class of Shares ⁽¹⁾	Percentage of shareholding in the relevant class of Shares ⁽²⁾	Approximate Percentage of the total share capital ⁽²⁾
Youguang Shuoran	Interest in controlled corporation ⁽³⁾	4,291,729 Unlisted Shares (L)	24.97%	4.56%
		4,291,729 H Shares (L)	5.58%	4.56%
Youguang Yihui	Beneficial owner ⁽³⁾	4,291,729 Unlisted Shares (L)	24.97%	4.56%
		4,291,729 H Shares (L)	5.58%	4.56%
Youguang Zhiyuan	Beneficial owner ⁽⁴⁾	2,390,394 Unlisted Shares (L)	13.91%	2.54%
		2,390,395 H Shares (L)	3.11%	2.54%
Shanghai Guangzhiyuan Benyuan Origin Enterprise Management Partnership (Limited Partnership) (上海光致遠本源企業管理合夥企業 (有限合夥))	Interest in controlled corporation ⁽⁴⁾	2,390,394 Unlisted Shares (L)	13.91%	2.54%
		2,390,395 H Shares (L)	3.11%	2.54%

Corporate Governance and Other Information

Name of Shareholder	Nature of interest	Number and class of Shares ⁽¹⁾	Percentage of shareholding in the relevant class of Shares ⁽²⁾	Approximate Percentage of the total share capital ⁽²⁾
Shanghai Youguang Yuning Enterprise Management Co., Ltd. (上海有光煜寧企業管理有限公司)	Interest in controlled corporation ⁽⁴⁾	2,390,394 Unlisted Shares (L)	13.91%	2.54%
		2,390,395 H Shares (L)	3.11%	2.54%
Beijing Casstar Key & Core Technology Venture Capital Investment L.P. (北京中科創星硬科技創業投資合夥企業(有限合夥))	Beneficial owner ⁽⁵⁾	1,240,590 Unlisted Shares (L)	7.22%	1.32%
Beijing Science and Technology Innovation Fund (北京市科技創新基金(有限合夥))	Interest in controlled corporation ⁽⁵⁾	1,240,590 Unlisted Shares (L)	7.22%	1.32%
Beijing Municipal Government Investment Guidance Fund (Limited Partnership) (北京市政府投資引導基金(有限合夥))	Interest in controlled corporation ⁽⁵⁾	1,240,590 Unlisted Shares (L)	7.22%	1.32%
Beijing State-owned Capital Operation Management Co., Ltd (北京市國有資本運營管理有限公司)	Interest in controlled corporation ⁽⁵⁾	1,240,590 Unlisted Shares (L)	7.22%	1.32%
Beijing Science and Technology Innovation Investment Management Co., Ltd. (北京科技創新投資管理有限公司)	Interest in controlled corporation ⁽⁵⁾	1,240,590 Unlisted Shares (L)	7.22%	1.32%

Corporate Governance and Other Information

Name of Shareholder	Nature of interest	Number and class of Shares ⁽¹⁾	Percentage of shareholding in the relevant class of Shares ⁽²⁾	Approximate Percentage of the total share capital ⁽²⁾
China International Capital Corporation Limited (中國國際金融股份有限公司)	Interest in controlled corporation ⁽⁵⁾	1,240,590 Unlisted Shares (L)	7.22%	1.32%
	Interest in controlled corporation ⁽⁵⁾	4,700,670 H Shares (L)	6.12%	5.00%
	Interest in controlled corporation ⁽⁵⁾	179,505 H Shares (S)	0.23%	0.19%
CICC Capital Management Co., Ltd. (中金資本運營有限公司)	Interest in controlled corporation ⁽⁵⁾	1,240,590 Unlisted Shares (L)	7.22%	1.32%
Central Huijin Investment Ltd. (中央匯金投資有限公司)	Interest in controlled corporation ⁽⁵⁾	1,240,590 Unlisted Shares (L)	7.22%	1.32%
China Investment Co., Ltd. (中國投資有限責任公司)	Interest in controlled corporation ⁽⁵⁾	1,240,590 Unlisted Shares (L)	7.22%	1.32%
Beijing CASSTAR Venture Capital Investment Management Partnership (Limited Partnership) (北京中創創星創業投資管理合夥企業(有限合夥))	Interest in controlled corporation ⁽⁵⁾	1,240,590 Unlisted Shares (L)	7.22%	1.32%
Casstar Technology Venture Capital Co., Ltd. (中創創星科技投資有限公司)	Interest in controlled corporation ^{(5) (6)}	2,212,149 Unlisted Shares (L)	12.87%	2.35%
Xi'an HuiKe Enterprise Management Consulting Co., Ltd. (西安慧科企業管理諮詢股份有限公司)	Interest in controlled corporation ^{(5) (6)}	2,212,149 Unlisted Shares (L)	12.87%	2.35%

Corporate Governance and Other Information

Name of Shareholder	Nature of interest	Number and class of Shares ⁽¹⁾	Percentage of shareholding in the relevant class of Shares ⁽²⁾	Approximate Percentage of the total share capital ⁽²⁾
Mi Lei (米磊)	Interest in controlled corporation ^{(5) (6)}	2,212,149 Unlisted Shares (L)	12.87%	2.35%
Li Hao (李浩)	Interest in controlled corporation ^{(5) (6)}	2,212,149 Unlisted Shares (L)	12.87%	2.35%
Shaanxi Advanced OEIC Technologies L.P. (陝西先導光電集成科技投資合夥企業(有限合夥))	Beneficial owner ⁽⁶⁾	971,559 Unlisted Shares (L)	5.65%	1.03%
Shaanxi Kemai Investment Management Partnership (Limited Partnership) (陝西科邁投資管理合夥企業(有限合夥))	Interest in controlled corporation ⁽⁶⁾	971,559 Unlisted Shares (L)	5.65%	1.03%
Shanghai Guofu Linghang Investment Partnership (Limited Partnership) (上海國孚領航投資合夥企業(有限合夥))	Beneficial owner ⁽⁷⁾	1,002,216 Unlisted Shares (L)	5.83%	1.07%
		1,002,217 H Shares (L)	1.30%	1.07%
Shanghai State-owned Capital Investment Fund Company (上海國有資本投資母基金有限公司)	Interest in Controlled Corporation ⁽⁷⁾	1,002,216 Unlisted Shares (L)	5.83%	1.07%
		1,002,217 H Shares (L)	1.30%	1.07%
Shanghai Fortera Capital Co., Ltd. (上海孚騰私募基金管理有限公司)	Interest in Controlled Corporation ⁽⁷⁾	1,002,216 Unlisted Shares (L)	5.83%	1.07%
		1,002,217 H Shares (L)	1.30%	1.07%

Corporate Governance and Other Information

Name of Shareholder	Nature of interest	Number and class of Shares ⁽¹⁾	Percentage of shareholding in the relevant class of Shares ⁽²⁾	Approximate Percentage of the total share capital ⁽²⁾
Shanghai Guotou Capital Management Co., Ltd. (上海國投資本管理有限公司)	Interest in Controlled Corporation ⁽⁷⁾	1,002,216 Unlisted Shares (L)	5.83%	1.07%
		1,002,217 H Shares (L)	1.30%	1.07%
Shanghai Guotu Capital Investment Co., Ltd. (上海國投資本投資有限公司)	Interest in Controlled Corporation ⁽⁷⁾	1,002,216 Unlisted Shares (L)	5.83%	1.07%
		1,002,217 H Shares (L)	1.30%	1.07%
Deep Harbor Limited	Interest in controlled corporation ⁽⁸⁾	4,350,056 H Shares (L)	5.66%	4.63%
FOONG JUN ZHE, BENJAMIN	Interest in controlled corporation ⁽⁸⁾	4,350,056 H Shares (L)	5.66%	4.63%
LightAI EIP Holdings LP ("LightAI EIP")	Beneficial owner ⁽⁸⁾	4,350,056 H Shares (L)	5.66%	4.63%
Ha Wai Kwan Benjamin	Beneficial owner	2,131,863 Unlisted Shares (L)	12.40%	2.27%
		913,656 H Shares (L)	1.19%	0.97%
MPC GPGP V Ltd.	Interest in controlled corporation ⁽⁹⁾	3,899,511 H Shares (L)	5.07%	4.15%
MPC Management V L.P.	Interest in controlled corporation ⁽⁹⁾	3,899,511 H Shares (L)	5.07%	4.15%
David Su Tuong Sing	Interest in controlled corporation ⁽⁹⁾	3,899,511 H Shares (L)	5.07%	4.15%



Corporate Governance and Other Information

Notes:

- (1) The letter "L" denotes long positions and the letter "S" denotes short positions.
- (2) As of June 30, 2026, the total number of issued shares of the Company was 94,037,377 shares, consisting of 17,186,801 Unlisted shares and 76,850,576 H Shares.
- (3) Youguang Yihui held 4,291,729 Unlisted Shares and 4,291,729 H Shares, with Youguang Shuoran as its general partner. Therefore, Youguang Shuoran is deemed to be interested in the Shares held by Youguang Yihui.
- (4) Youguang Zhiyuan held 2,390,394 Unlisted Shares and 2,390,395 H Shares. Shanghai Guangzhiyuan Benyuan Origin Enterprise Management Partnership (Limited Partnership) (上海光致遠本源企業管理合夥企業(有限合夥)) was interested in Youguang Zhiyuan as to approximately 51.5383%, which is in turn held by Dr. Shen as to 35.9321% as limited partner and managed by Shanghai Youguang Yuning Enterprise Management Co., Ltd. (上海有光煜寧企業管理有限公司) as its general partner. Therefore, Shanghai Youguang Yuning Enterprise Management Co., Ltd. is deemed to be interested in the Shares held by Youguang Zhiyuan.
- (5) Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥)) is interested in Beijing Casstar Key & Core Technology Venture Capital Investment L.P. (北京中科創星硬科技創業投資合夥企業(有限合夥), "**Beijing CASSTAR**") as to 36.6447% as its limited partner and Beijing CASSTAR Venture Capital Investment Management Partnership (Limited Partnership) (北京中科創星創業投資管理合夥企業(有限合夥)) is its general partner. Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥)) is held by Beijing Municipal Government Investment Guidance Fund (Limited Partnership) (北京市政府投資引導基金(有限合夥)) as to 49.1425% as its limited partner, which is in turn held by Beijing State-owned Capital Operation Management Co., Ltd. (北京市國有資本運營管理有限公司). The general partner of Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥)) is Beijing Science and Technology Innovation Investment Management Co., Ltd. (北京科技創新投資管理有限公司), which is held by CICC Capital Operation Co., Ltd. (中金資本運營有限公司, "**CICC Capital**") as to 51%, which is in turn wholly owned by China International Capital Corporation Limited (中國國際金融股份有限公司). Therefore, Beijing Science and Technology Innovation Fund (北京市科技創新基金(有限合夥)), Beijing Science and Technology Innovation Investment Management Co., Ltd. (北京科技創新投資管理有限公司), China International Capital Corporation Limited and CICC Capital Management Co., Ltd. (中金資本運營有限公司) were deemed to be interested in the Domestic Shares held by Beijing Casstar Key & Core Technology Venture Capital Investment L.P. through their respective controlled corporations or partnership interests.

Corporate Governance and Other Information

- (6) The general partner of Shaanxi Advanced OEIC Technologies L.P. (陝西先導光電集成科技投資合夥企業(有限合夥), "**Shaanxi Advanced OEIC**") is Shaanxi Kemai Investment Management Partnership (Limited Partnership) (陝西科邁投資管理合夥企業(有限合夥)), which is managed by CASSTAR as general partner with a partnership interests of 82.33%. CASSTAR is held by Xi'an HuiKe Enterprise Management Consulting Co., Ltd. (西安慧科企業管理諮詢股份有限公司) as to 49.9271%, which is in turn held by Mi Lei and Li Hao as to 47.9866% and 34.9885%, respectively. As such, each of Shaanxi Kemai Investment Management Partnership (Limited Partnership) (陝西科邁投資管理合夥企業(有限合夥)), CASSTAR, Xi'an HuiKe Enterprise Management Consulting Co., Ltd. (西安慧科企業管理諮詢股份有限公司), Mi Lei (米磊) and Li Hao (李浩) is deemed to be interested in the Shares held by Shaanxi Advanced OEIC.
- (7) The general partner of Shanghai Guofu Linghang Investment Partnership (Limited Partnership) (上海國孚領航投資合夥企業(有限合夥), "**Shanghai Guofu**") is Shanghai Fortera Capital Co., Ltd. (上海孚騰私募基金管理有限公司), which is held by Shanghai Guotou Capital Management Co., Ltd. (上海國投資本管理有限公司) as to 35%, which is in turn wholly owned by Shanghai Guotu Capital Investment Co., Ltd. (上海國投資本投資有限公司). Shanghai State-owned Capital Investment Fund Company (上海國有資本投資母基金有限公司) is interested in Shanghai Guofu as its limited partner as to 99.94%. Therefore, each of Shanghai Fortera Capital Co., Ltd. (上海孚騰私募基金管理有限公司), Shanghai Guotou Capital Management Co., Ltd. (上海國投資本管理有限公司), Shanghai Guotu Capital Investment Co., Ltd. (上海國投資本投資有限公司) and Shanghai State-owned Capital Investment Fund Company (上海國有資本投資母基金有限公司) is deemed to be interested in the Shares held by Shanghai Guofu.
- (8) The general partner of LightAI EIP is Deep Harbor Limited, which is in turn wholly owned by Foong Jun Zhe, Benjamin. As such, each of Deep Harbor Limited and Foong Jun Zhe, Benjamin is deemed to be interested in the Shares held by Light AI EIP.
- (9) The general partner of MPC V L.P. and MPC V-A L.P. is MPC Management V L.P.. The general partner of MPC Management V L.P. is MPC GPGP V Ltd.. David Su is the controlling shareholder of MPC GPGP V Ltd.. Therefore, each of MPC Management V L.P., MPC GPGP V Ltd. and David Su is deemed to be interested in the Shares held by MPC V L.P. and MPC V-A L.P..

Save as disclosed above, as of June 30, 2026, the Directors were not aware of any other person (not being a Director or chief executive of the Company) who had an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

Corporate Governance and Other Information

LOCK-UP

Based on the information publicly available to the Company or otherwise within the knowledge of the Directors, the following persons/entities were subject to lock-up undertakings or disposal restrictions pursuant to the applicable Listing Rules, the relevant undertakings and/or the cornerstone investment agreements:

Key Persons (as defined under Rule 18C.14 of the Listing Rules)

Name	Capacity	Number of Shares held in the Company subject to lock-up undertakings upon Listing	% of total issued Shares	Last day subject to the lock-up undertakings ⁽⁶⁾
Dr. Shen	Founder, executive Director, a member of the senior management, Key R&D Staff and a Single Largest Shareholder	5,918,128	6.29%	April 27, 2028
LightAI EIP	A Single Largest Shareholder	4,350,056	4.63%	April 27, 2028
— Mr. Wang Long ⁽¹⁾	Our executive Director, a member of the senior management and Key R&D Staff	—	—	April 27, 2028
— Dr. Ben Chen ⁽²⁾	Consultant	—	—	April 27, 2028
MachC L.P. ("Mach C")	A Single Largest Shareholder	3,540,391	3.76%	April 27, 2028
— Mr. Wang Long ⁽³⁾	Our executive Director, a member of the senior management and Key R&D Staff	—	—	April 27, 2028
Youguang Yihui ⁽⁴⁾	Close associate of Dr. Shen and a Single Largest Shareholder	8,583,458	9.13%	April 27, 2028
— Dr. Shen ⁽⁴⁾	Founder, executive Director, a member of the senior management, Key R&D Staff and a Single Largest Shareholder	—	—	April 27, 2028
— Dr. Meng Huaiyu ⁽⁴⁾	Our executive Director, a member of the senior management and Key R&D Staff	—	—	April 27, 2028

Corporate Governance and Other Information

Name	Capacity	Number of Shares held in the Company subject to lock-up undertakings upon Listing	% of total issued Shares	Last day subject to the lock-up undertakings ⁽⁶⁾
— Mr. Zhang Hong ⁽⁴⁾	Our executive Director, a member of the senior management and a Single Largest Shareholder	—	—	April 27, 2028
Youguang Zhiyuan ⁽⁵⁾	Close associate of Mr. Zhang Hong, one of our executive Directors and a member of the senior management and a Single Largest Shareholder	4,780,789	5.08%	April 27, 2028
— Dr. Shen ⁽⁵⁾	Founder, executive Director, a member of the senior management, Key R&D Staff and a Single Largest Shareholder	—	—	April 27, 2028
— Mr. Peng Bo ⁽⁵⁾	A Key R&D Staff	—	—	April 27, 2028
— Dr. Meng Huaiyu ⁽⁵⁾	Our executive Directors, a member of the senior management and Key R&D Staff	—	—	April 27, 2028
— Mr. Zhang Hong ⁽⁵⁾	Our executive Director, a member of the senior management and a Single Largest Shareholder	—	—	April 27, 2028

Notes:

- (1) Mr. Wang Long is a limited partner with interest of 28.24% in LightAI EIP.
- (2) Dr. Ben Chen is a limited partner with interest of 0.51% in LightAI EIP.
- (3) Mr. Wang Long is a limited partner with interest of 9.68% in Mach C.
- (4) Dr. Shen, Dr. Meng Huaiyu and Mr. Zhang Hong are limited partners of Youguang Yihui with interest of 32.87%, 24.50% and 15.68%, respectively. Youguang Shuoran is the general partner of Youguang Yihui with a partnership interest of 0.001% and is held by Dr. Shen, Dr. Meng Huaiyu and Mr. Zhang Hong as to 80%, 10% and 10%, respectively.



Corporate Governance and Other Information

- (5) Shanghai Youguang Yuning Enterprise Management Co., Ltd. (上海有光煜寧企業管理有限公司) is the general partner of Youguang Zhiyuan with a partnership interest of 0.0021%, which is held by Mr. Zhang Hong and Dr. Meng Huaiyu as to 80% and 20%, respectively. Mr. Zhang Hong is a limited partner interested in Youguang Zhiyuan as to 0.2071%. Apart from Shanghai Youguang Yuning Enterprise Management Co., Ltd. and Mr. Zhang Hong, the remaining limited partners of Youguang Zhiyuan are Shanghai Guangzhiyuan Benyuan Enterprise Management Partnership (Limited Partnership) (上海光致遠本源企業管理合夥企業(有限合夥)), Shanghai Guangzhiyuan Nanhe Enterprise Management Partnership (Limited Partnership) (上海光致遠南鶴企業管理合夥企業(有限合夥)), Shanghai Guangzhiyuan Shenhua Enterprise Management Partnership (Limited Partnership) (上海光致遠申華企業管理合夥企業(有限合夥)), Shanghai Guangzhiyuan Shenyun Enterprise Management Partnership (Limited Partnership) (上海光致遠申韻企業管理合夥企業(有限合夥)), Shanghai Guangzhiyuan Xixi Enterprise Management Partnership (Limited Partnership) (上海光致遠西溪企業管理合夥企業(有限合夥)) and Shanghai Guangzhiyuan Haiyun Enterprise Management Partnership (Limited Partnership) (上海光致遠海韻企業管理合夥企業(有限合夥)), which are interested in Youguang Zhiyuan as to 51.54%, 6.61%, 8.65%, 16.51%, 8.38% and 8.10%, respectively. These are sub-employee shareholding platforms under Youguang Zhiyuan. Shanghai Youguang Yuning Enterprise Management Co., Ltd. (上海有光煜寧企業管理有限公司) is the general partner of all these entities. Dr. Shen, Dr. Meng Huaiyu and Mr. Zhang Hong are interested in Shanghai Guangzhiyuan Benyuan Origin Enterprise Management Partnership (Limited Partnership) (上海光致遠本源企業管理合夥企業(有限合夥)) as to 35.93%, 17.97% and 17.36%, respectively, as limited partners. Mr. Peng Bo, one of our Key R&D Staffs, and Mr. Zhang Hong are interested in Shanghai Guangzhiyuan Nanhe Enterprise Management Partnership (Limited Partnership) (上海光致遠南鶴企業管理合夥企業(有限合夥)) as to 58.88% and 0.31%, respectively, as limited partners.

Mr. Zhang Hong is interested in Shanghai Guangzhiyuan Shenhua Enterprise Management Partnership (Limited Partnership) (上海光致遠申華企業管理合夥企業(有限合夥)), Shanghai Guangzhiyuan Shenyun Enterprise Management Partnership (Limited Partnership) (上海光致遠申韻企業管理合夥企業(有限合夥)), Shanghai Guangzhiyuan Xixi Enterprise Management Partnership (Limited Partnership) (上海光致遠西溪企業管理合夥企業(有限合夥)) and Shanghai Guangzhiyuan Haiyun Enterprise Management Partnership (Limited Partnership) (上海光致遠海韻企業管理合夥企業(有限合夥)) as to 0.24%, 0.13%, 0.24% and 0.25%, respectively, as a limited partner.

- (6) In accordance with Rule 18C.14, the lock-up period commences on the date by reference to which disclosure of its shareholding is made in the Prospectus and ends on the date which is 24 months from the Listing Date, i.e. April 27, 2028. In the event that upon the notification by the Stock Exchange that the Company will no longer be regarded as a Pre-Commercial Company after the Listing, the lock-up period will expire on the later of: (i) the date which is 12 months from the Listing Date; and (ii) the date falling on the 30th day after the announcement on the removal of designation as a Pre-Commercial Company as required under Rule 18C.24 of the Listing Rules.

Corporate Governance and Other Information

Pathfinder SII

Name	Capacity	Number of Shares held in the Company subject to lock-up undertakings upon Listing	% of total issued Shares	Last day subject to the lock-up undertakings
MPC V L.P.	Pathfinder SII	3,532,177	3.76%	April 27, 2027
MPC V-A L.P.	Pathfinder SII	367,334	0.39%	April 27, 2027
Tencent Mobility Limited	Pathfinder SII	3,272,298	3.48%	April 27, 2027
Shanghai CM Digital Transformation Investment Fund, L.P.	Pathfinder SII	2,995,570	3.19%	April 27, 2027
Hangzhou Yihong Equity Investment Partnership (Limited Partnership)	Pathfinder SII	2,410,263	2.56%	April 27, 2027



Corporate Governance and Other Information

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

The H Shares of the Company were first listed on the Main Board of the Stock Exchange on the Listing Date. As disclosed in the next day disclosure return of the Company dated May 14, 2026, the Company issued and allotted 2,069,280 H Shares on May 14, 2026 pursuant to the full exercise of the Over-allotment Option.

During the period from the Listing Date to June 30, 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As of June 30, 2026, the Company did not hold any treasury shares.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its own code of conduct for dealings in the securities of the Company by the Directors since the Listing Date.

Upon specific enquiry of all Directors, each of the Directors confirmed that they have complied with the Model Code during the period from the Listing Date to June 30, 2026.

SHARE INCENTIVE SCHEMES

In recognition of the contributions from employees and consultants and to incentivize them for the further development of the Group, LightAI Ltd. ("**Youguang Cayman**") adopted a share option plan as approved by its board of directors on January 2, 2020 (the "**2020 Equity Incentive Plan**"). On August 29, 2025, pursuant to the resolutions of the Shareholders, the Company adopted a Pre-IPO RSU Plan (the "**Pre-IPO RSU Plan**") as a replacement of the original 2020 Equity Incentive Plan with substantially the same terms and conditions as the 2020 Equity Incentive Plan.

As of June 30, 2026, all options under the employee incentive plan have been granted and exercised and there are no outstanding options or share awards under the employee incentive plan. No further restricted share units will be granted under the Pre-IPO RSU Plan after the listing. Please refer to the Prospectus for further details about the 2020 Equity Incentive Plan and the Pre-IPO RSU Plan.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As the H Shares were listed on the Stock Exchange on April 28, 2026, the Corporate Governance Code was not applicable to the Company prior to the Listing Date.

Corporate Governance and Other Information

During the period from the Listing Date to June 30, 2026, the Company had complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules, save for the deviation from Code Provision C.2.1 as disclosed below.

Pursuant to Code Provision C.2.1 of Part 2 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the responsibilities between the chairman and the chief executive officer should be separate and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Dr. Shen Yichen ("**Dr. Shen**") currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. Specifically, as the pioneering scientist who first proposed the theory of utilizing light to perform AI algorithms, Dr. Shen possesses the relevant technical expertise that forms the cornerstone of the Group's research and development. His scientific background is indispensable for translating optical AI technologies into commercially viable products. As the founder of the Group, Dr. Shen's unified leadership ensures that the Group's long-term strategic roadmap aligns with the Group's specialized technological capabilities and future development goals. Having him serve as both chairman and chief executive officer bridges high-level board oversight with day-to-day operational execution, ensuring that the Group's complex R&D milestones are rapidly and effectively commercialized. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and review such practices from time to time to ensure compliance with statutory and professional standards and alignment with the latest developments.

REVIEW OF INTERIM RESULTS

The Company has established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. The Audit Committee currently consists of three independent non-executive Directors, namely, Ms. Xu Lili, Dr. Huang Weiping and Dr. Zhao Hang. The Audit Committee is chaired by Ms. Xu Lili.

The Audit Committee has reviewed the unaudited consolidated interim financial information of the Group for the Reporting Period and this interim report, and discussed with the management and auditor of the Company the accounting principles and practices adopted by the Group.



Corporate Governance and Other Information

The interim financial information for the Reporting Period has not been audited but has been reviewed by PricewaterhouseCoopers, the auditor of the Company, in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board.

SUBSEQUENT EVENTS

Save as disclosed in this interim report, there were no significant events affecting the Group after June 30, 2026 and up to the date of this interim report.

Update on the report on groundless allegations to the local law enforcement authority

Reference is made to the clarification announcement published on June 5, 2026 in relation to the market rumours containing groundless allegations regarding our Director's conduct and the Company's operational information.

As of the date of this interim report, pursuant to the decision on administrative penalty, the local law enforcement authority has identified the person responsible for the groundless allegations and imposed administrative penalty on the responsible person.

INTERIM DIVIDEND

Taking into account the Company's overall operating results, financial position and future development, and considering that the Company does not have any distributable profits for the Reporting Period, the Board does not recommend the distribution of any interim dividend for the Reporting Period. (For the six months ended June 30, 2025: nil).

CHANGES TO THE DIRECTORS' INFORMATION

- (1) Dr. Zhao Hang currently serves as the Chief Scientist of Xinghaitu (Beijing) Artificial Intelligence Technology Co., Ltd. (星海圖(北京)人工智能科技股份有限公司).
- (2) Ms. Xu Lili currently serves as an independent non-executive director of PATEO CONNECT Technology (Shanghai) Corporation (HKEx: 2889).

Save as disclosed in this interim report, no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as of the date of this interim report.

Corporate Governance and Other Information

FORWARD-LOOKING STATEMENTS

This interim report contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

APPRECIATION

The Board would like to express its sincere gratitude to our Shareholders, management team, employees, business partners and customers for their support and contribution to the Group.

By order of the Board

Shanghai Xizhi Technology Co., Ltd.

上海曦智科技股份有限公司

Dr. Shen Yichen

Founder, Chairman of the Board,

Executive Director and Chief Executive Officer

Hong Kong, 21 August 2026



Report on Review of Interim Financial Information

To the Board of Directors of Shanghai Xizhi Technology Co., Ltd.
(incorporated in Chinese Mainland with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 48 to 105, which comprises the condensed consolidated interim balance sheet of Shanghai Xizhi Technology Co., Ltd. (上海曦智科技股份有限公司, the "**Company**") and its subsidiaries (together, the "**Group**") as at 30 June 2026 and the condensed consolidated interim statement of comprehensive loss, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Report on Review of Interim Financial Information

OTHER MATTER

The comparative information for the condensed consolidated interim balance sheet is based on the audited financial statements as at 31 December 2025. The comparative information for the condensed consolidated interim statements of comprehensive loss, changes in equity and cash flows, and related explanatory notes, for the period ended 30 June 2025 has not been audited or reviewed.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 21 August 2026

Condensed Consolidated Interim Statements of Comprehensive Loss

	Note	Six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	7	79,779	20,793
Cost of sales	8	(27,256)	(12,486)
Gross profit		52,523	8,307
Selling and marketing expenses	8	(39,499)	(21,241)
General and administrative expenses	8	(120,958)	(53,943)
Research and development expenses	8	(349,724)	(154,532)
Reversal of impairment of financial assets		158	354
Other income	9	120,584	52,847
Other losses — net	10	(14,487)	(3,945)
Operating loss		(351,403)	(172,153)
Finance income	11	12,079	3,962
Finance costs	11	(889)	(1,523)
Finance income — net	11	11,190	2,439
Fair value changes of financial instruments issued to investors	31	(2,916,531)	(176,555)
Loss before income tax		(3,256,744)	(346,269)
Income tax expenses	12	—	—
Loss for the period		(3,256,744)	(346,269)
Other comprehensive (loss)/gain			
<i>Item that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(3,359)	2,723
<i>Item that may not be reclassified to profit or loss</i>			
Change in fair value attributable to credit risk change		299	(9,185)
Other comprehensive loss, net of tax		(3,060)	(6,462)
Total comprehensive loss for the period		(3,259,804)	(352,731)
Loss per share attributable to the owners of the Company			
Basic and diluted loss per share (RMB)	13	(63.08)	(11.92)

Condensed Consolidated Interim Balance Sheets

		As at 30 June 2026	As at 31 December 2025
	Note	RMB'000 (Unaudited)	RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	15	192,274	183,700
Right-of-use assets	16	7,070	11,257
Intangible assets	17	27,047	46,804
Finance lease receivables	22	5,432	6,872
Prepayments, other receivables and other assets	21	16,364	23,445
Bank deposits	24	20,325	20,025
Total non-current assets		268,512	292,103
Current assets			
Inventories	18	14,454	28,541
Trade receivables	20	71,826	87,218
Finance lease receivables	22	2,935	2,907
Prepayments, other receivables and other assets	21	114,083	110,703
Financial assets at fair value through profit or loss	23	94,290	324,965
Restricted cash	25	137	137
Bank deposits	24	1,673,673	82,200
Cash and cash equivalents	25	1,070,203	209,058
Total current assets		3,041,601	845,729
Total assets		3,310,113	1,137,832
Equity/(deficit)			
Equity/(deficit) attributable to owners of the Company			
Share capital	26	94,037	78,173
Reserves	27	9,044,482	(1,419,136)
Accumulated deficits		(6,195,241)	(2,906,889)
Total equity/(deficit)		2,943,278	(4,247,852)

Condensed Consolidated Interim Balance Sheets

		As at 30 June 2026	As at 31 December 2025
	Note	RMB'000 (Unaudited)	RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Lease liabilities	16	8,154	13,320
Deferred income	32	132,917	146,295
Total non-current liabilities		141,071	159,615
Current liabilities			
Trade payables	29	8,156	6,735
Other payables and accruals	30	50,065	78,044
Contract liabilities	7(a)	17,839	21,622
Deferred income	32	127,690	182,137
Borrowings		9,990	—
Lease liabilities	16	12,024	13,380
Financial instruments issued to investors	31	—	4,924,151
Total current liabilities		225,764	5,226,069
Total liabilities		366,835	5,385,684
Total equity/(deficit) and liabilities		3,310,113	1,137,832
Net current assets/(liabilities)		2,815,837	(4,380,340)

Condensed Consolidated Interim Statements of Changes in Equity

	Note	Equity/(deficit) attributable to owners of the Company			
		Paid-in capital/ share capital RMB'000	Reserves RMB'000	Accumulated deficits RMB'000	Total RMB'000
(Unaudited)					
As at 1 January 2026		78,173	(1,419,136)	(2,906,889)	(4,247,852)
Comprehensive loss					
Loss for the period		—	—	(3,256,744)	(3,256,744)
Change in fair value attributable to credit risk change		—	299	—	299
Exchange differences on translation of foreign operations		—	(3,359)	—	(3,359)
Total comprehensive loss		—	(3,060)	(3,256,744)	(3,259,804)
Transactions with owners in their capacity as owners					
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs		15,864	2,412,002	—	2,427,866
Conversion of ordinary shares with preference rights to ordinary shares without preference rights		—	7,840,383	—	7,840,383
Transfer of credit risk of financial instruments issued to investors on derecognition to accumulated deficit		—	31,608	(31,608)	—
Equity-settled share-based payments	28	—	182,685	—	182,685
Total transactions with owners		15,864	10,466,678	(31,608)	10,450,934
As at 30 June 2026		94,037	9,044,482	(6,195,241)	2,943,278

Condensed Consolidated Interim Statements of Changes in Equity

		Deficit attributable to owners of the Company			
	Note	Paid-in capital/ share capital RMB' 000	Reserves RMB' 000	Accumulated deficits RMB' 000	Total RMB' 000
(Unaudited)					
As at 1 January 2025		69,728	158,724	(3,281,325)	(3,052,873)
Comprehensive loss					
Loss for the period		—	—	(346,269)	(346,269)
Change in fair value attributable to credit risk change		—	(9,185)	—	(9,185)
Exchange differences on translation of foreign operations		—	2,723	—	2,723
Total comprehensive loss		—	(6,462)	(346,269)	(352,731)
Transactions with owners in their capacity as owners					
Recognition of financial instruments issued to investors		7,104	(7,104)	—	—
Transfer of credit risk of financial instruments issued to investors on disposal to accumulated deficit		—	689	(689)	—
Deemed distributions to related parties		—	(66,835)	—	(66,835)
Equity-settled share-based payments		28	38,270	—	38,270
Total transactions with owners		7,104	(34,980)	(689)	(28,565)
As at 30 June 2025		76,832	117,282	(3,628,283)	(3,434,169)

Condensed Consolidated Interim Statements of Cash Flows

		Six months ended 30 June	
		2026	2025
	Note	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cash flows used in operating activities			
Cash used in operations	33(a)	(187,614)	(92,730)
Cash flows used in investing activities			
Purchase of property, plant and equipment and intangible assets		(46,970)	(76,787)
Placement of bank deposits		(1,671,821)	(50,000)
Redemption of bank deposits		82,200	50,000
Interests received from cash and cash equivalents and bank deposits		8,836	3,072
Purchase of short-term investments measured at fair value through profit or loss		(380,000)	(1,111,000)
Proceeds from disposal of short-term investments measured at fair value through profit or loss		610,743	718,451
Proceeds from sub-lease of office space	22	1,373	1,129
Government grants related to assets received		28,130	—
Net cash used in investing activities		(1,367,509)	(465,135)
Cash flows generated from financing activities			
Gross proceeds from issuance of ordinary shares	1	2,542,801	—
Proceeds from increase in equity without preference rights by the Company		—	25,498
Proceeds from issuance of financial instruments to investors with preference rights by the Company	31(b)	—	300,000
Repayment of convertible debentures to investors	31(b)	—	(54,162)
Cash paid to Youguang Cayman for acquisition of offshore operating entity pursuant to the Reorganisation		—	(375,540)
Cash received from the preferred shareholders to flip down their equity interests from Youguang Cayman to the Company		—	510,195

Condensed Consolidated Interim Statements of Cash Flows

	Note	Six months ended 30 June	
		2026	2025
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cash received from convertible debentures investors pursuant to Reorganisation		—	81,151
Repayment to convertible debentures investors pursuant to Reorganisation		—	(81,151)
Net cash settled related to amounts due from Youguang Cayman arising from the issuance of preferred shares	35(b)(ii)	—	209,593
Option exercise deposits received from employees on behalf of Youguang Cayman	35(b)(iii)	—	565
Payment of listing expenses		(110,369)	—
Lease payments	33(c)	(6,908)	(7,298)
Proceeds from bank borrowings		9,990	47,000
Interest paid for bank borrowings	33(c)	(55)	(175)
Net cash generated from financing activities		2,435,459	655,676
Net increase in cash and cash equivalents		880,336	97,811
Cash and cash equivalents at beginning of period		209,058	348,336
Effect of changes in foreign exchange rates		(19,191)	(5,235)
Cash and cash equivalents at end of period		1,070,203	440,912

Notes to the Condensed Consolidated Interim Financial Information

1 GENERAL INFORMATION

Shanghai Xizhi Technology Co., Ltd. (the "**Company**") was incorporated in the People's Republic of China (the "**PRC**") on 27 February 2018. The address of the Company's registered office is No. 111, 125 and 139 Bo Xia Road, Pilot Free Trade Zone, Shanghai, PRC.

On 23 July 2025, the Company convened a general meeting and passed related resolutions approving the conversion of the Company from a limited liability company into a joint stock limited company and changed the name of the Company to Shanghai Xizhi Technology Co., Ltd. ("上海曦智科技股份有限公司", the former Chinese name is "上海曦智科技有限公司").

The principal activities of the Company and its subsidiaries (the "**Group**") are the sales of optical interconnect and optical computing hardware, solutions and related services dedicated to enhancing computing efficiency, as well as research and development activities in relation to optical interconnect and optical computing business ("**Listing Business**") mainly in the People's Republic of China (the "**PRC**") and other geographical areas.

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

On 28 April 2026, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and made an offering of 13,795,215 ordinary shares (excluding any ordinary shares issued pursuant to the exercise of the over-allotment option) at a price of Hong Kong Dollar ("**HK\$**")183.2 per share. Additionally, the Company issued and allotted 2,069,280 ordinary shares on 14 May 2026 pursuant to the full exercise of the over-allotment option as disclosed in the announcement of the Company dated 11 May 2026. The gross proceeds received by the Company were approximately HK\$2,906,375,000, equivalent to approximately RMB2,542,801,000 (the "**Listing Proceeds**"). All preference rights granted to investors of ordinary shares with preference rights were converted into ordinary shares without preference rights upon the completion of initial public offering ("**IPO**") on 28 April 2026.



Notes to the Condensed Consolidated Interim Financial Information

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard 34 *"Interim Financial Reporting"*.

This condensed consolidated interim financial information does not include all the notes normally included in an annual financial report. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements of the Group for the years ended 31 December 2023, 2024 and 2025, which have been prepared in accordance with IFRS Accounting Standards, as set out in the accountant's report (the **"Accountant's Report"**) included in the Appendix I to the Company's prospectus dated 20 April 2026.

The Group was at a relatively early stage of commercialization of its products and the operating loss was approximately RMB351,403,000 and RMB172,153,000 for the six months ended 30 June 2026 and 2025, respectively. As at 30 June 2026, the Group has cash and cash equivalents of RMB1,070,203,000 and short term and long term bank deposits of RMB1,693,998,000. Taking into account the termination of the redemption rights as mentioned above and together with the conversion of all the financial instruments issued to investors into equity on 28 April 2026 and the Listing Proceeds, the directors are of the opinion that the Company will have sufficient cash resources to satisfy its future working capital in the next twelve months from 30 June 2026. Accordingly, the directors consider that it is appropriate that the condensed consolidated interim financial information is prepared on a going concern basis.

2.2 Accounting policies

The accounting policies and methods of computations used in the preparation of the condensed consolidated interim financial information are consistent with those of the Accountant's Report for the years ended 31 December 2023, 2024 and 2025, except for the adoption of new and amended IFRS effective for the financial period beginning on 1 January 2026.

New and amended standards adopted by the Group

A number of new and revised IFRSs became applicable for the reporting periods presented. For the purpose of preparing this condensed consolidated interim financial information, the Group has adopted all applicable new and revised IFRSs except for any new standards or interpretation that are not yet effective for the reporting period ended 30 June 2026.

Notes to the Condensed Consolidated Interim Financial Information

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

2.2 Accounting policies (continued)

New and amended standards adopted by the Group (continued)

These amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

The following are new standards, amendments to existing standards and new interpretations that have been issued but are not effective for the current reporting period, and have not been early adopted. The Group plans to adopt these new standards, amendments to standards and new interpretations when they become effective:

Standards and amendments	Effective for accounting periods beginning on or after
IFRS 18 Presentation and Disclosure in Financial Statement	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Translation to a Hyperinflationary Presentation Currency — Amendments to IAS 21	1 January 2027
IFRS 20 Regulatory Assets and Regulatory Liabilities	1 January 2029
Sale or Contribution of Assets between an Investor and its Associate — Amendments to IFRS 10 and IAS 28	To be determined

According to the assessment made by the directors of the Company, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for IFRS 18 which will mainly impact the presentation of the condensed consolidated statements of comprehensive loss.



Notes to the Condensed Consolidated Interim Financial Information

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

2.2 Accounting policies (continued)

New standards and interpretations not yet adopted (continued)

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Impact on consolidated statements of comprehensive loss:

Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

- Foreign exchange differences

Foreign exchange differences currently aggregated in the line item "other gains/(losses) — net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit, unless doing so would involve undue cost or effort.

- Gain or loss of investments measured at fair value through profit or loss

The gain or loss of investments measured at fair value through profit or loss is currently aggregated in the line item "other gains/(losses) — net" in operating profit and will be presented below operating profit.

Notes to the Condensed Consolidated Interim Financial Information

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

2.2 Accounting policies (continued)

New standards and interpretations not yet adopted (continued)

Impact on consolidated balance sheets:

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

Impact on disclosures:

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- For the first annual period of application of IFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's consolidated financial performance. Risk management is carried out by the senior management of the Group.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the financial statements and should be read in conjunction with the Accountant's Report.

There were no significant changes in any material risk management policies during the six months ended 30 June 2026.

Notes to the Condensed Consolidated Interim Financial Information

4 FAIR VALUE ESTIMATION

(a) Financial assets and liabilities

(i) Fair value hierarchy

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

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
(Unaudited)				
At 30 June 2026				
Financial assets:				
Short-term investments measured at fair value through profit or loss:				
— Structured deposits	—	—	15,047	15,047
— Money market funds	—	—	79,243	79,243
	<u>—</u>	<u>—</u>	<u>94,290</u>	<u>94,290</u>
(Audited)				
As at 31 December 2025				
Financial assets:				
Short-term investments measured at fair value through profit or loss:				
— Structured deposits	—	—	230,750	230,750
— Money market funds	—	—	94,215	94,215
	<u>—</u>	<u>—</u>	<u>324,965</u>	<u>324,965</u>
Financial liabilities:				
Financial instruments issued to investors	—	—	4,924,151	4,924,151

Notes to the Condensed Consolidated Interim Financial Information

4 FAIR VALUE ESTIMATION (CONTINUED)

(a) Financial assets and liabilities (continued)

(i) *Fair value hierarchy (continued)*

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for financial liabilities at fair value through profit or loss (FVPL).

(ii) *Valuation techniques used to determine fair values*

The Group's finance team manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once a year, the team uses valuation techniques to determine the fair value of the Group's level 3 instruments. External valuers will be involved when necessary.

As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including:

- expected rate of return;
- the discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate;
- the backsolve method using the latest round financing, i.e. the prior transaction price or the third-party pricing information. Discounted cash flow model will be used if no recent transaction or third-party pricing information is available as at respective balance sheet date.

Notes to the Condensed Consolidated Interim Financial Information

4 FAIR VALUE ESTIMATION (CONTINUED)

(a) Financial assets and liabilities (continued)

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

The following table presents the changes in level 3 instruments of financial assets measured at fair value through profit or loss for the six months ended 30 June 2026 and 2025.

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
At the beginning of the period	324,965	—
Additions	380,000	1,111,000
Disposals	(610,743)	(718,451)
Fair value changes through profit or loss (Note 10)	2,843	1,547
Currency translation difference	(2,775)	—
At the end of the period	94,290	394,096

For financial instruments issued to investors, please refer to Note 31 for details.

Notes to the Condensed Consolidated Interim Financial Information

4 FAIR VALUE ESTIMATION (CONTINUED)

(a) Financial assets and liabilities (continued)

(iv) Valuation process

Financial assets at fair value through profit or loss

The Group entered into contracts in respect of structured deposits with expected but not guaranteed rates of return ranging as shown above. The Group managed and evaluated the performance of these investments on a fair value basis, in accordance with the Group's risk management and investment strategy and hence they are designated as financial assets at FVPL.

Financial instruments issued to investors — Convertible debentures, preferred shares and financial instruments issued to investors with preference rights in the Company

The discounted cash flow method and backsolve method are used to determine the total equity value of the Company, the option-pricing method and equity allocation model were adopted to determine the fair value of the financial instruments issued to investors. Key assumptions included discount rate, DLOM and expected volatility.

Discount rate was estimated by weighted average cost of capital as of each valuation date. DLOM was estimated based on the option-pricing method. Under option-pricing method, the cost of put option, which can hedge the price change before the private held share can be sold, was considered as a basis to determine the lack of marketability discount. Expected volatility was estimated at the valuation dates based on average of historical volatilities of the comparable companies in the same industry for a period from the respective valuation dates to expected liquidation/redemption date. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of the financial instruments issued to investors on applicable valuation date.



Notes to the Condensed Consolidated Interim Financial Information

4 FAIR VALUE ESTIMATION (CONTINUED)

(a) Financial assets and liabilities (continued)

(iv) Valuation process (continued)

Financial instruments issued to investors — Convertible debentures, preferred shares and financial instruments issued to investors with preference rights in the Company (continued)

The Company performed sensitivity test to changes in unobservable inputs in determining the fair value of the financial instruments issued to investors issued by the Company. The changes in unobservable inputs including discount rate, DLOM and expected volatility will result in a significantly higher or lower fair value measurement. The increase in the fair value of the financial instruments issued to investors would increase the loss of fair value change in the condensed consolidated statements of comprehensive loss. When performing the sensitivity test, management applied an increase or decrease to each unobservable input, which represents management's assessment of reasonably possible change to these unobservable inputs.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

In preparing the condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Accountant's Report for the years ended 31 December 2023, 2024 and 2025.

Notes to the Condensed Consolidated Interim Financial Information

6 SEGMENT INFORMATION

The Group's business activities are sales of optical interconnect and optical computing and provision of application development and other services mainly in the PRC.

The Group's chief operating decision-maker ("**CODM**") has been identified as the directors, who review consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports. As substantially all of the Group's non-current assets are located in the PRC and substantially all of the Group's revenue is derived from the PRC, no geographical information is presented.

The following illustrates the revenue from customers contributing over 10% of the total revenue of the Group:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer I	19,660	—
Customer II	15,655	—
Customer III	13,891	—
Customer IV	12,700	—
Customer V	*	6,991
Customer VI	—	5,111
Customer VII	—	3,196
Customer VIII	—	2,735

* Less than 10%

Except for customers listed above, no other customer contributed over 10% of the total revenue of the Group for the six months ended 30 June 2026 and 2025, respectively.

Notes to the Condensed Consolidated Interim Financial Information

7 REVENUE

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Optical interconnect business		
— <i>Sale of products</i>	55,907	16,027
— <i>Technology development services</i>	4,792	144
Subtotal of optical interconnect business	60,699	16,171
Optical computing business		
— <i>Sale of products</i>	18,478	2,735
— <i>Technology development services and others</i>	602	1,887
Subtotal of optical computing business	19,080	4,622
Total revenue	79,779	20,793

The Group derives revenue from the transfer of products, services and others at a point in time as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Point in time	79,779	20,793

Notes to the Condensed Consolidated Interim Financial Information

7 REVENUE (CONTINUED)

The following table shows unsatisfied performance obligations resulting from contracts that are partially or fully unsatisfied:

	Six months ended 30 June	
	2026	2025
	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
Aggregate amount of the transaction price allocated to a long-term contract that are partially or fully unsatisfied, to be recognized:		
— Within 1 year	6,321	6,321

Except for the unsatisfied performance obligations resulting from certain long-term technology development contract disclosed above, other unsatisfied or partially unsatisfied performance obligations are expected to be recognized in the following year and are not disclosed separately.

(a) Contract liabilities

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

	As at 30 June 2026	As at 31 December 2025
	RMB' 000 (Unaudited)	RMB' 000 (Audited)
Current portion	17,839	21,622

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

Notes to the Condensed Consolidated Interim Financial Information

7 REVENUE (CONTINUED)

(a) Contract liabilities (continued)

The following table shows the revenue recognized in the six months ended 30 June 2026 and 2025 related to carried-forward contract liabilities:

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue recognized that was included in the contract liabilities at the beginning of the period	21,622	—

(b) Assets recognised from costs to fulfil a contract

In addition to the contract balances disclosed above, the Group has also recognised assets in relation to costs to fulfil service contracts. These are presented within prepayments, other receivables and other assets (Note 21) in the condensed consolidated balance sheets:

	As at 30 June 2026	As at 31 December 2025
	RMB'000 (Unaudited)	RMB'000 (Audited)
Current portion	2,248	2,670
Loss allowance	—	—
	2,248	2,670

Notes to the Condensed Consolidated Interim Financial Information

8 EXPENSES BY NATURE

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

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Employee benefit expenses	302,433	145,163
Raw materials, consumables used and outsourcing costs	37,092	16,527
Changes in inventories of work in progress and finished goods	9,740	(256)
Depreciation of property, plant and equipment (Note 15)	44,501	13,690
Intangible asset amortisation (Note 17)	19,757	16,654
Depreciation of right-of-use assets (Note 16)	4,187	4,056
Design and development expenses	65,809	19,599
Office expenses	4,240	2,418
Travelling expenses	3,054	2,222
Short-term lease expenses (Note 16)	3,641	1,895
IP license expenses	15,230	2,731
Marketing and promotion expenses	1,536	239
Provision for inventories (Note 18)	2,620	—
Share-based compensation expenses to consultants (Note 28)	—	5,826
Professional service fees	8,665	9,207
Listing expenses	10,383	—
Miscellaneous	4,549	2,231
	537,437	242,202

Notes to the Condensed Consolidated Interim Financial Information

9 OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Government grants		
— Financial subsidies (a)	120,162	52,456
— Others	422	391
	120,584	52,847

(a) Government grants received during the six months ended 30 June 2026 and 2025 primarily comprised the financial subsidies received from various government authorities in the Chinese Mainland. Certain government grants were related to assets and amortised during the useful life of the related assets.

10 OTHER LOSSES — NET

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Fair value gains on short-term investments measured at fair value through profit or loss	2,843	1,547
Losses on disposal of property, plant and equipment	(27)	—
Net foreign exchange losses	(17,671)	(5,492)
Others	368	—
	(14,487)	(3,945)

Notes to the Condensed Consolidated Interim Financial Information

11 FINANCE INCOME — NET

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
<i>Finance income</i>		
Interest income on cash and cash equivalents and bank deposits	11,812	3,633
Interest income from finance lease receivables	267	329
	12,079	3,962
<i>Finance costs</i>		
Interest expenses from short term borrowings	(55)	(175)
Interest expenses on lease liabilities	(834)	(1,348)
	(889)	(1,523)
Finance income — net	11,190	2,439

12 INCOME TAX EXPENSES

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

13 LOSS PER SHARE

On 29 August 2025, the Company was converted into a joint stock company with limited liability and a total of 76,831,836 ordinary shares with par value of RMB1.0 each were issued and allotted to the respective owners of the Company according to the share capital registered under these equity holders on that day. For the purpose of computation of basic and diluted losses per share, the weighted average number of ordinary shares in issue without preference rights before the conversion into a joint stock limited company was determined assuming the share capital had been fully converted into ordinary share without preference rights deemed in issue at the same conversion ratio of 1:1 as upon conversion into joint stock limited company.

Notes to the Condensed Consolidated Interim Financial Information

13 LOSS PER SHARE (CONTINUED)

(a) Basic loss per share

The basic loss per share during the periods presented is calculated by dividing the loss attributable to owners of the Company by the weighted average number of share capital registered without preference rights, taking into the effects of conversion the Company into a joint stock limited company as mentioned above.

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Loss attributable to owners of the Company (RMB' 000)	(3,256,744)	(346,269)
Weighted average number of ordinary shares deemed in issue	51,628,970	29,044,347
Basic loss per share for loss attributable to owners of the Company (expressed in RMB per share)	(63.08)	(11.92)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of share capital registered with and without preference rights to assume termination of all preference rights granted to investors. As the Group incurred losses for the six months ended 30 June 2026 and 2025, those share capital fully paid and registered with preference rights during the period, i.e. financial instruments issued to investors were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended 30 June 2026 and 2025 are the same as basic loss per share of the respective periods.

14 DIVIDENDS

No dividend had been declared or paid by the Company for the six months ended 30 June 2026 and 2025.

Notes to the Condensed Consolidated Interim Financial Information

15 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement RMB'000	Furniture RMB'000	Electronic equipment RMB'000	Laboratory equipment RMB'000	Total RMB'000
(Unaudited)					
As at 1 January 2026					
Cost	15,687	3,644	18,320	217,330	254,981
Accumulated depreciation	(11,324)	(2,614)	(12,282)	(45,061)	(71,281)
Net book amount	4,363	1,030	6,038	172,269	183,700
Six months ended 30 June 2026					
Opening net book amount	4,363	1,030	6,038	172,269	183,700
Additions	224	33	625	52,228	53,110
Depreciation charge (Note 8)	(1,748)	(445)	(1,977)	(40,331)	(44,501)
Disposals	—	(18)	(9)	—	(27)
Currency translation differences	—	(4)	(4)	—	(8)
Closing net book amount	2,839	596	4,673	184,166	192,274
As at 30 June 2026					
Cost	15,911	3,346	18,802	269,558	307,617
Accumulated depreciation	(13,072)	(2,750)	(14,129)	(85,392)	(115,343)
Net book amount	2,839	596	4,673	184,166	192,274
(Unaudited)					
As at 1 January 2025					
Cost	14,993	3,459	15,375	57,840	91,667
Accumulated depreciation	(8,074)	(1,688)	(8,201)	(9,920)	(27,883)
Net book amount	6,919	1,771	7,174	47,920	63,784
Six months ended 30 June 2025					
Opening net book amount	6,919	1,771	7,174	47,920	63,784
Additions	—	246	581	14,541	15,368
Depreciation charge	(1,612)	(430)	(1,940)	(9,708)	(13,690)
Closing net book amount	5,307	1,587	5,815	52,753	65,462
As at 30 June 2025					
Cost	12,127	3,705	15,964	72,377	104,173
Accumulated depreciation	(6,820)	(2,118)	(10,149)	(19,624)	(38,711)
Net book amount	5,307	1,587	5,815	52,753	65,462

Notes to the Condensed Consolidated Interim Financial Information

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Depreciation of property, plant and equipment		
— Research and development expenses	44,054	12,986
— General and administrative expenses	295	401
— Selling and marketing expenses	117	226
— Cost of sales	35	77
	44,501	13,690

16 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets includes leased office building.

(i) Amounts recognised in the condensed consolidated balance sheets

The condensed consolidated balance sheets show the following amounts relating to leases:

	As at 30 June 2026	As at 31 December 2025
	RMB'000 (Unaudited)	RMB'000 (Audited)
Right-of-use assets		
Leased office buildings	7,070	11,257
Lease liabilities		
Current	(12,024)	(13,380)
Non-current	(8,154)	(13,320)
	(20,178)	(26,700)

Notes to the Condensed Consolidated Interim Financial Information

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

(ii) Amounts recognised in the condensed consolidated statements of comprehensive loss

The condensed consolidated statements of comprehensive loss show the following amounts relating to leases:

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Depreciation charge of right-of-use assets		
Leased office buildings	4,187	4,056
Interest expense (included in finance costs) (Note 11)	834	1,348
Expense relating to short-term leases (Note 8)	3,641	1,895

The total cash outflow for leases including short-term leases for six months ended 30 June 2026 and 2025 were RMB10,549,000 and RMB9,193,000 respectively.

(iii) The Group's leasing activities and how these are accounted for:

The Group leases various offices buildings and electronic equipment. Rental contracts are typically made for fixed periods of 3 years to 8 years with no extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Notes to the Condensed Consolidated Interim Financial Information

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

- (iv) The movement in right-of-use assets in the condensed consolidated interim balance sheets are as follows:

	Leased office buildings
	RMB'000
(Unaudited)	
As at 1 January 2026	
Cost	29,405
Accumulated depreciation	(18,148)
Net book amount	11,257
Six months ended 30 June 2026	
Opening net book amount	11,257
Depreciation charge (Note 8)	(4,187)
Closing net book amount	7,070
As at 30 June 2026	
Cost	29,405
Accumulated depreciation	(22,335)
Net book amount	7,070
(Unaudited)	
As at 1 January 2025	
Cost	34,197
Accumulated depreciation	(15,503)
Net book amount	18,694
Six months ended 30 June 2025	
Opening net book amount	18,694
Depreciation charge	(4,056)
Currency translation differences	(22)
Closing net book amount	14,616
As at 30 June 2025	
Cost	34,197
Accumulated depreciation	(19,581)
Net book amount	14,616

Notes to the Condensed Consolidated Interim Financial Information

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

(iv) The movement in right-of-use assets in the condensed consolidated interim balance sheets are as follows (continued):

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Depreciation of right-of-use assets		
— Research and development expenses	2,907	2,862
— General and administrative expenses	850	777
— Selling and marketing expenses	430	417
	<u>4,187</u>	<u>4,056</u>

17 INTANGIBLE ASSETS

	Electronics Design Automation ("EDA") tools		
	Software RMB'000	tools RMB'000	Total RMB'000
(Unaudited)			
As at 1 January 2026			
Cost	14,274	133,565	147,839
Accumulated amortisation	(5,438)	(95,597)	(101,035)
Net book amount	<u>8,836</u>	<u>37,968</u>	<u>46,804</u>
Six months ended 30 June 2026			
Opening net book amount	8,836	37,968	46,804
Amortisation charge (Note 8)	(1,605)	(18,152)	(19,757)
Closing net book amount	<u>7,231</u>	<u>19,816</u>	<u>27,047</u>
As at 30 June 2026			
Cost	13,022	104,316	117,338
Accumulated amortisation	(5,791)	(84,500)	(90,291)
Net book amount	<u>7,231</u>	<u>19,816</u>	<u>27,047</u>

Notes to the Condensed Consolidated Interim Financial Information

17 INTANGIBLE ASSETS (CONTINUED)

	Software	Electronics Design Automation ("EDA") tools	Total
	RMB'000	RMB'000	RMB'000
(Unaudited)			
As at 1 January 2025			
Cost	9,700	117,992	127,692
Accumulated amortisation	(2,539)	(62,666)	(65,205)
Net book amount	7,161	55,326	62,487
Six months ended 30 June 2025			
Opening net book amount	7,161	55,326	62,487
Additions	1,620	1,108	2,728
Amortisation charge	(1,230)	(15,424)	(16,654)
Closing net book amount	7,551	41,010	48,561
As at 30 June 2025			
Cost	11,320	119,100	130,420
Accumulated amortisation	(3,769)	(78,090)	(81,859)
Net book amount	7,551	41,010	48,561

Notes to the Condensed Consolidated Interim Financial Information

17 INTANGIBLE ASSETS (CONTINUED)

During the periods presented, the amounts of amortisation expense charged to research and development expenses, general and administrative expenses and selling and marketing expenses are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Amortisation of intangible assets		
— Research and development expenses	18,948	15,888
— General and administrative expenses	800	752
— Selling and marketing expenses	9	14
	19,757	16,654

18 INVENTORIES

	As at 30 June 2026	As at 31 December 2025
	RMB'000 (Unaudited)	RMB'000 (Audited)
Raw materials	8,051	9,778
Work in progress	2,382	9,079
Finished goods	9,684	12,727
	20,117	31,584
Less: provision for impairment of inventories	(5,663)	(3,043)
	14,454	28,541

During the six months ended 30 June 2026 and 2025, inventories recognised as cost of sales amounted to RMB22,054,000 and RMB12,418,000 respectively, and RMB2,620,000 and nil provision for impairment of inventories is charged to cost of sales in the six months ended 30 June 2026 and 2025, respectively.

Notes to the Condensed Consolidated Interim Financial Information

19 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	As at 30 June 2026	As at 31 December 2025
	RMB'000 (Unaudited)	RMB'000 (Audited)
Financial assets:		
<i>Financial assets at fair value through profit or loss:</i>		
— Structured deposits (Note 23)	15,047	230,750
— Money market funds (Note 23)	79,243	94,215
<i>Financial assets at amortised cost:</i>		
— Trade receivables (Note 20)	71,826	87,218
— Other receivables (Note 21)	8,605	9,003
— Finance lease receivables (Note 22)	8,367	9,779
— Restricted cash (Note 25)	137	137
— Bank deposits (Note 24)	1,693,998	102,225
— Cash and cash equivalents (Note 25)	1,070,203	209,058
	2,947,426	742,385

Notes to the Condensed Consolidated Interim Financial Information

19 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The Group holds the following financial instruments (continued):

	As at 30 June 2026	As at 31 December 2025
	RMB'000 (Unaudited)	RMB'000 (Audited)
Financial liabilities:		
<i>Financial liabilities at fair value through profit or loss:</i>		
— Financial instruments issued to investors (Note 31)	—	4,924,151
<i>Financial liabilities at amortised cost:</i>		
— Borrowings	9,990	—
— Lease liabilities (Note 16)	20,178	26,700
— Trade payables (Note 29)	8,156	6,735
— Other payables (Note 30)	15,815	21,805
	54,139	4,979,391

20 TRADE RECEIVABLES

	As at 30 June 2026	As at 31 December 2025
	RMB'000 (Unaudited)	RMB'000 (Audited)
Due from third parties	73,417	88,940
Gross trade receivables	73,417	88,940
Less: provision for impairment	(1,591)	(1,722)
Net trade receivables	71,826	87,218

Notes to the Condensed Consolidated Interim Financial Information

20 TRADE RECEIVABLES (CONTINUED)

The carrying amounts of the Group's trade receivables excluding provision for impairment, are denominated in the following currencies:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
RMB	71,227	87,432
USD	2,190	1,508
	73,417	88,940

The credit terms given to trade customers are determined on an individual basis with normal credit period ranged from 30–180 days. The aging analysis of the trade receivables based on the date of revenue recognition is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Up to 1 year	70,529	88,818
1 to 2 years	2,888	122
	73,417	88,940

Due to the short-term nature of the trade receivables, their carrying amounts are considered to be approximately the same as their fair values.

The Group does not hold any collateral as security over these debtors.

Notes to the Condensed Consolidated Interim Financial Information

21 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current:		
Other receivables:		
— Long-term deposits	8,242	8,285
Less: provision for impairment	(54)	(78)
Net other receivables	8,188	8,207
Prepayments for purchase of long-term assets	8,176	15,238
Total prepayments, other receivables and other assets in non-current assets	16,364	23,445
Current:		
Other receivables:		
— Short-term other receivables	418	802
Less: provision for impairment	(1)	(6)
Net other receivables	417	796
Prepayments for purchase of inventories and services	99,148	81,807
Contract cost (Note 7)	2,248	2,670
Prepaid listing expenses	—	4,483
Input value-added tax ("VAT") to be deducted	12,270	20,947
Total prepayments, other receivables and other assets in current assets	114,083	110,703
Total prepayments, other receivables and other assets	130,447	134,148

As at 30 June 2026 and 31 December 2025, the fair value of prepayments, other receivables and other assets of the Group, except for the prepayments and input VAT to be deducted which are not financial assets, approximated to their carrying amounts.

Notes to the Condensed Consolidated Interim Financial Information

22 FINANCE LEASE RECEIVABLES

The Group entered into a lease of office space from October 2020 to January 2029 for research and development purpose. In November 2024, the office space was subleased to third parties due to change in the Group's operating strategy. Finance lease receivables are denominated in USD. The detailed breakdown of financial lease receivables was set forth below.

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Finance lease receivables due from third parties	8,367	9,779
Less: due within one year	(2,935)	(2,907)
Non-current finance lease receivables	5,432	6,872

	Minimum lease receivables	
	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	3,615	3,409
Over 1 year but less than 2 years	3,403	3,477
Over 2 years but less than 5 years	2,011	3,848
Less: unearned finance income	(662)	(955)
Present value of minimum lease receivables	8,367	9,779

The interest rates inherent in the leases are fixed at the contract date for the entire lease terms. As at 30 June 2026 and 31 December 2025, the weighted average effective interest rate is approximately 6.1% and 6.1% per annum, respectively.

The Group assesses the credit losses of finance lease receivables individually and believes that the credit risk inherent in the Group of outstanding finance receivables balance is quite low.

Finance lease receivables were neither past due nor impaired. The directors of the Group considered that the carrying amount of the finance lease receivables approximated to their fair value as at 30 June 2026 and 31 December 2025.

Notes to the Condensed Consolidated Interim Financial Information

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

During the reporting periods presented, the Group classified its financial assets through profit or loss (FVPL) due to that all its short-term investment do not qualify for measurement at either amortized cost or FVOCI.

Financial assets mandatorily measured at FVPL include the following:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Current assets		
Short-term investments (a)		
— Structured deposits	15,047	230,750
— Money market funds	79,243	94,215
	94,290	324,965

(a) Short-term investments

Short-term investments represented the structured deposits issued by reputable banks in Chinese Mainland and money market funds overseas. The maturity of the structured deposits and money market funds were less than 1 year.

Unrealised gains recognised for the year ended 31 December 2025 and the period ended 30 June 2026 are RMB1,496,000 and RMB300,000 respectively.

Notes to the Condensed Consolidated Interim Financial Information

24 BANK DEPOSITS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-Current:		
Bank deposits	20,325	20,025
Current:		
Bank deposits	1,673,673	82,200
Total bank deposits	1,693,998	102,225

25 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Cash at banks	2,764,338	311,420
Less: bank deposits with original maturities of over three months (Note 24)	(1,693,998)	(102,225)
restricted cash (b)	(137)	(137)
Cash and cash equivalents	1,070,203	209,058

(b) Restricted cash

Restricted cash mainly represented security deposit for credit card.

Notes to the Condensed Consolidated Interim Financial Information

26 SHARE CAPITAL

	Share capital			
	Number of shares	without preference rights	with preference rights (Note (i))	Total
	'000	RMB'000	RMB'000	RMB'000
(Unaudited) As at 30 June 2026	94,037	94,037	—	94,037
(Audited) As at 31 December 2025	78,173	29,267	48,906	78,173

- (i) As a part of the reorganisation from 2024 to 2025 ("Reorganisation"), majority of the preferred shareholders and convertible debenture holders converted their equity interests in LightAI Ltd. ("Youguang Cayman") or other group subsidiaries into the Company's equity interests with preference rights from November 2024 to September 2025. RMB40,684,000 and RMB7,104,000 was recorded as the Company's paid-in capital for the year ended 31 December 2024 and 2025, respectively. Since all these investments granted the investors certain preference rights and did not qualify for an equity, a credit entry with the same amount was booked in other reserve of the Company (Note 27).
- (ii) On 29 August 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The paid-in-capital of the Company as at the conversion base date were converted into 76,831,836 ordinary shares at RMB1.0 each, the difference of net assets converted over nominal value of the share capital was included in the Company's capital reserve.
- (iii) In September 2025, the remaining one shareholder originally invested in Youguang Cayman flipped down its equity interests from Youguang Cayman to the Company by subscribing for the ordinary shares without preference rights of the Company for a total cash consideration of RMB14,413,000, including RMB223,000 recorded as share capital and RMB14,190,000 recorded as capital reserve of the Company, and subscribing for share capital with preference rights of the Company of RMB1,118,000. After completion of this transaction, the Reorganisation was completed.

Notes to the Condensed Consolidated Interim Financial Information

26 SHARE CAPITAL (CONTINUED)

- (iv) On 28 April 2026, the Company completed the IPO and made an offering of 13,795,215 ordinary shares to the public. Additionally, the Company issued and allotted 2,069,280 ordinary shares on 14 May 2026 pursuant to the full exercise of the over-allotment option. All preference rights granted to investors of ordinary shares with preference rights were converted into ordinary shares without preference rights upon the completion of IPO on 28 April 2026. The net proceeds was approximately equivalent to RMB2,427,866,000 after deducting listing expenses directly relating to the share issuance and an amount of RMB2,412,002,000 was recognised in reserves.

27 RESERVES

	Reserves				
	Capital reserve	Share-based payment	Currency translation reserve	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited) As at 1 January 2026	(1,654,506)	440,500	(47,485)	(157,645)	(1,419,136)
Share-based payments (Note 28)	—	182,685	—	—	182,685
Change in fair value attributable to credit risk change	—	—	—	299	299
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs	2,412,002	—	—	—	2,412,002
Conversion of financial instruments issued to investors with preference rights to ordinary shares without preference rights (Note 26)	2,324,963	—	—	5,515,420	7,840,383
Transfer of credit risk of financial instruments issued to investors on disposal to accumulated deficit, net of tax	—	—	—	31,608	31,608
Currency translation differences	—	—	(3,359)	—	(3,359)
As at 30 June 2026	3,082,459	623,185	(50,844)	5,389,682	9,044,482

Notes to the Condensed Consolidated Interim Financial Information

27 RESERVES (CONTINUED)

	Reserves				
	Capital reserve	Share-based payment	Currency translation reserve	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)					
As at 1 January 2025	<u>48,805</u>	<u>235,528</u>	<u>(55,469)</u>	<u>(70,140)</u>	<u>158,724</u>
Recognition of financial instruments issued to investors	—	—	—	(7,104)	(7,104)
Deemed distribution to related parties (a)	—	—	—	(66,835)	(66,835)
Share-based payments (Note 28)	—	38,270	—	—	38,270
Change in fair value attributable to credit risk change	—	—	—	(9,185)	(9,185)
Transfer of credit risk of financial instruments issued to investors on disposal to accumulated deficit, net of tax	—	—	—	689	689
Currency translation differences	<u>—</u>	<u>—</u>	<u>2,723</u>	<u>—</u>	<u>2,723</u>
As at 30 June 2025	<u>48,805</u>	<u>273,798</u>	<u>(52,746)</u>	<u>(152,575)</u>	<u>117,282</u>

- (a) Pursuant to the agreement between Youguang Cayman and the Group in September 2025, the Group waived the amounts due from Youguang Cayman at USD9,336,000 (equivalent to RMB66,835,000) based on the outstanding balance as at 30 June 2025. This transaction was recorded as a deemed distribution to Youguang Cayman in equity. In September 2025, Youguang Cayman remitted all the remaining cash and cash equivalents to the Group and amounts due from Youguang Cayman was settled.

Notes to the Condensed Consolidated Interim Financial Information

28 SHARE-BASED COMPENSATION PLANS

The table below sets out the details of the share-based compensation plan in the reporting periods presented.

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Equity settled share-based compensation for employees (a)	182,685	32,444
Equity settled share-based compensation for consultants (a)	—	5,826
	182,685	38,270

(a) 2020 Equity Incentive Plan

In recognition of the contributions from employees and consultants and to incentivize them for the further development in the Group, Youguang Cayman adopted a share option plan as approved by the board of directors on 2 January 2020 ("**2020 Equity Incentive Plan**"). The 2020 Equity Incentive Plan is generally subject to a four or five years' service schedule or other vesting conditions. The terms and conditions of the share option grants are as follows:

- Type (i) 25% of the total granted share options shall become vested one year from the vesting commencement date and the remaining 75% shall vest on each year thereafter over each of the months in the next three years;
- Type (ii) total granted share options shall become vested equally each month over a four-year period at the end of each full calendar month;
- Type (iii) total granted share options shall become vested after meeting certain performance targets;
- Type (iv) total granted share options shall become vested upon the successful listing of the Company.

There are no outstanding options as at 30 June 2026 as they were converted to Pre-IPO RSU plan in 2025.

Notes to the Condensed Consolidated Interim Financial Information

28 SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) 2020 Equity Incentive Plan (continued)

Movements in the number of share options granted and their related weighted average exercise price during the period of six months ended 30 June 2025 are as follows:

	Six months ended 30 June 2025	
	Average exercise price per share option (USD)	Number of options
(Unaudited)		
At beginning of the period	0.0198	647,175,531
Granted	0.0359	77,300,000
Vested	0.0038	(17,441,860)
Forfeited	0.0339	(9,978,127)
At end of the period	0.0218	<u>697,055,544</u>

No options expired during the period ended 30 June 2025.

The Group has estimated the expected retention rate at the end of the vesting periods of the share options in order to determine the amount of share-based compensation expenses charged to the condensed consolidated interim statements of comprehensive loss.

Notes to the Condensed Consolidated Interim Financial Information

28 SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) 2020 Equity Incentive Plan (continued)

Based on fair value of the ordinary shares of the Youguang Cayman, the Group has used binomial model to determine the fair value of the share options as at each of the measurement date. Key assumptions are set as below:

	Six months ended 30 June 2025
	RMB'000 (Unaudited)
Fair value per ordinary share (USD)	0.13–0.16
Risk-free interest rates	3.89%–4.82%
Dividend yield	0.0%
Expected volatility	55.58%–60.37%
Option terms	5–10 years

(b) Pre-IPO RSU Plan

On 29 August 2025, pursuant to the resolutions of the shareholders of the Company, the Company adopted a Pre-IPO RSU Plan as a replacement of the original plan with substantially same terms and conditions of the 2020 Equity Incentive Plan. Under this plan, the Group's employees and consultants are required to acquire the respective equity interests in certain ESOP platforms at their exercise price before the date of submission of the listing application for all the restricted share units (including the vested awards and the unvested awards). If the employees and consultants fail to fulfil the vesting conditions with the Group as agreed in the Pre-IPO RSU Plan, the general partner of ESOP platforms has the right to acquire the equity interest held by this personnel at the price determined in the grant letter.

One RSU shall represent one share of the Company held by the ESOP platform. Pursuant to the modification of share-based compensation plan, for the participants who converted their options under 2020 Equity Incentive Plan to participate in the Pre-IPO RSU plan, the conversion ratio of share option to RSU is of the same proportion, representing pro-rata shareholding in the listing vehicle before and after the conversion. Upon conversion, the Company made certain modifications, including reduction of exercise price and extension of service period subject to IPO condition. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted was included in the measurement of the amount recognised for the services received over the remainder of the vesting period.

Notes to the Condensed Consolidated Interim Financial Information

28 SHARE-BASED COMPENSATION PLANS (CONTINUED)

(b) Pre-IPO RSU Plan (continued)

The terms and conditions for the newly granted RSUs are as below:

Type (i) 25% of the total granted RSUs shall become vested one year from the vesting commencement date and the remaining 75% shall vest on each year thereafter over each of the months in the next three years;

Type (ii) 10% of the total granted RSUs shall become vested one year from the vesting commencement date, 20%, 30% and 40% of the total granted RSUs shall become vested monthly during the second, third and fourth year from the vesting commencement date;

Type (iii) 10% of the total granted RSUs shall become vested one year after the successful listing of the Company, 20%, 30% and 40% of the total granted RSUs shall become vested monthly during the second, third and fourth year after the successful listing of the Company;

Type (iv) total granted RSUs shall become vested after meeting certain non-market performance vesting conditions;

Type (v) total granted RSUs shall become vested after meeting certain market performance vesting conditions.

As of 31 December 2025, all the cash consideration for subscription of the equity interests in ESOP platforms were received from employees and consultants of the Group.

Notes to the Condensed Consolidated Interim Financial Information

28 SHARE-BASED COMPENSATION PLANS (CONTINUED)

(b) Pre-IPO RSU Plan (continued)

Movement in the number of RSU during the period is as follows:

	Six months ended 30 June 2026
(Unaudited)	
At the beginning of the period	16,251,869
Granted	—
Vested	(3,167,562)
Forfeited	(32,700)
At the end of the period	<u>13,051,607</u>

During the periods presented, the amounts of share-based compensation expenses charged to research and development expenses, general and administrative expenses, selling and marketing expenses, and cost of sales are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Research and development expenses	94,360	20,469
General and administrative expenses	66,296	7,927
Selling and marketing expenses	21,946	9,850
Cost of sales	83	24
	<u>182,685</u>	<u>38,270</u>

Notes to the Condensed Consolidated Interim Financial Information

29 TRADE PAYABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Payables for inventories	8,156	6,637
Payables for service fee	—	98
	<u>8,156</u>	<u>6,735</u>

The aging analysis of the trade payables, based on invoice date, is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Less than 1 year	<u>8,156</u>	<u>6,735</u>

The carrying amounts of trade payables are considered to be approximated to their fair values, due to their short-term nature.

Trade payables are denominated in:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
— RMB	8,156	6,712
— USD	—	23
	<u>8,156</u>	<u>6,735</u>

The carrying amounts of trade payables are considered to be approximated to their fair values, due to their short-term nature.

Notes to the Condensed Consolidated Interim Financial Information

30 OTHER PAYABLES AND ACCRUALS

	As at 30 June 2026	As at 31 December 2025
	RMB'000 (Unaudited)	RMB'000 (Audited)
Salaries and benefits payables	30,888	50,586
Accrued taxes other than income tax	3,362	5,653
Payables for purchase of intangible assets	—	1,517
Payables for purchase of IP licenses	—	3,536
Payables for technical services	5,473	2,183
Payables for purchase of property, plant and equipment	1,825	824
Payables for listing expenses	5,182	8,122
Others	3,335	5,623
	50,065	78,044

31 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS

	As at 30 June 2026	As at 31 December 2025
	RMB'000 (Unaudited)	RMB'000 (Audited)
Current liabilities		
Preferred shares	—	—
Financial instruments issued to investors with preference rights in the Company (a)	—	4,924,151
Total financial instruments issued to investors	—	4,924,151

(a) Financial instruments issued to investors with preference rights in the Company

As aforementioned, starting from the date of Reorganisation, the Company gradually issued its own equity interests to majority of the preferred investors in Youguang Cayman and convertible debenture investors in the Group's PRC subsidiaries, including Series A, Series A+, Series A2, Series B, Series B+, Series C1 and Series C2 round investors. The rights of the investors are substantially the same before and after the Reorganisation. The Company also issued its own equity interests to certain new investors, i.e. the Series C3 and Series C4 round investors.

Notes to the Condensed Consolidated Interim Financial Information

31 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS (CONTINUED)

(b) The movement for the financial instruments issued to investors during the periods presented

	Before Reorganisation			Financial instruments issued to investors with preference rights by the Company (a)	Total
	Preferred shares RMB' 000	Convertible debentures RMB' 000	Subtotal RMB' 000		
(Unaudited)					
As at 1 January 2026	—	—	—	4,924,151	4,924,151
Changes in fair value through profit or loss	—	—	—	2,916,531	2,916,531
Changes in fair value due to own credit risk	—	—	—	(299)	(299)
Conversion into ordinary shares without preference rights upon IPO (i)	—	—	—	(7,840,383)	(7,840,383)
As at 30 June 2026	—	—	—	—	—
(Unaudited)					
As at 1 January 2025	99,972	412,186	512,158	3,309,553	3,821,711
Issuance of financial instruments	—	—	—	300,000	300,000
Changes in fair value through profit or loss	2,712	13,044	15,756	160,799	176,555
Changes in fair value due to own credit risk	774	1,058	1,832	7,353	9,185
Conversion into financial instruments issued to investors with preference rights in the Company	—	(372,126)	(372,126)	372,126	—
Repayment of convertible debenture	—	(54,162)	(54,162)	—	(54,162)
As at 30 June 2025	103,458	—	103,458	4,149,831	4,253,289

(i) All financial instruments issued to investors with preference rights were converted into ordinary shares without preference rights upon completion of the listing of the Company's shares on 28 April 2026. Accordingly, no further gains or losses related to valuation changes in these instruments would be recorded after the conversion. In addition, the cumulative loss recognised in other comprehensive income related to the financial instruments issued to investors with preference rights due to changes of fair value in the liability's credit risk of RMB31,608,000 was transferred from other reserves to accumulated losses upon IPO.

Notes to the Condensed Consolidated Interim Financial Information

32 DEFERRED INCOME

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Government grants (i)		
— Non-current	132,917	146,295
— Current	127,690	182,137
	260,607	328,432

- (i) The Group received government grants from governments in PRC as support on operation, research and development expenditure relating to innovation activities, these government grants were transferred from "deferred income" to "other income" when related expenses incurred or over the useful lives of the relevant assets.

The amount of amortisation charged in other income was shown as follow:

	For six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Amortisation charged to other income (Note 9)	119,339	34,228

Notes to the Condensed Consolidated Interim Financial Information

33 CASH FLOW INFORMATION

(a) Cash used in operations

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Loss for the period	(3,256,744)	(346,269)
Adjustments for:		
— Depreciation of property, plant and equipment (Note 15)	44,501	13,690
— Amortisation of intangible assets (Note 17)	19,757	16,654
— Depreciation of right-of-use assets (Note 16)	4,187	4,056
— Reversal for impairment of financial assets	(158)	(354)
— Provision for inventories (Note 18)	(2,620)	—
— Share-based compensation expenses (Note 28)	182,685	38,270
— Finance costs (Note 11)	889	1,523
— Finance income (Note 11)	(12,079)	(3,962)
— Fair value changes on financial instruments issued to investors	2,916,531	176,555
— Fair value gains on short-term investments measured at fair value through profit or loss (Note 10)	(2,843)	(1,547)
— Losses on disposal of non-current assets (Note 10)	27	—
— Net foreign exchange losses (Note 10)	17,671	5,492
Changes in working capital		
— Decrease/(increase) in trade receivables	15,523	(9,470)
— Increase in prepayments, other receivables and other assets	(7,815)	(30,677)
— Decrease/(increase) in inventories	16,707	(6,225)
— Decrease in restricted cash	—	639
— Increase in trade payables	1,422	8,379
— Decrease in other payables and accruals	(25,516)	(13,590)
— (Decrease)/increase in contract liabilities	(3,783)	862
— (Decrease)/increase in deferred income	(95,956)	53,244
Net cash used in operations	(187,614)	(92,730)

Notes to the Condensed Consolidated Interim Financial Information

33 CASH FLOW INFORMATION (CONTINUED)

(b) Material non-cash financing activities

	Six months ended 30 June	
	2026	2025
	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
Conversion of financial instruments issued to investors into ordinary shares without preference rights upon IPO	7,840,383	—
Conversion of convertible debentures to financial instruments with preference rights in the Company	—	290,975

(c) Net debt reconciliation

	As at 30 June 2026	As at 31 December 2025
	RMB' 000 (Unaudited)	RMB' 000 (Audited)
Cash and cash equivalents (Note 25)	1,070,203	209,058
Lease liabilities (Note 16)	(20,178)	(26,700)
Financial instruments issued to investors (Note 31)	—	(4,924,151)
Borrowings	(9,990)	—
Net debt	1,040,035	(4,741,793)

Notes to the Condensed Consolidated Interim Financial Information

33 CASH FLOW INFORMATION (CONTINUED)

(c) Net debt reconciliation (continued)

	Cash and cash equivalents RMB'000	Liabilities from financing activities			Total RMB'000
		Lease liabilities RMB'000	Financial instruments issued to investors RMB'000	Borrowings RMB'000	
(Unaudited) Net debt as at 1 January 2026	209,058	(26,700)	(4,924,151)	—	(4,741,793)
Cash flows*	880,336	6,908	—	(9,935)	877,309
Fair value change	—	—	(2,916,232)	—	(2,916,232)
Interest expenses	—	(834)	—	(55)	(889)
Foreign exchange adjustments	(19,191)	448	—	—	(18,743)
Conversion into ordinary shares without preference rights upon IPO	—	—	7,840,383	—	7,840,383
Net debt as at 30 June 2026	1,070,203	(20,178)	—	(9,990)	1,040,035
(Unaudited) Net debt as at 1 January 2025	348,336	(39,026)	(3,821,711)	—	(3,512,401)
Cash flows*	97,811	7,298	(245,838)	(46,825)	(187,554)
Fair value change	—	—	(185,740)	—	(185,740)
Interest expenses	—	(1,348)	—	(175)	(1,523)
Foreign exchange adjustments	(5,235)	81	—	—	(5,154)
Net debt as at 30 June 2025	440,912	(32,995)	(4,253,289)	(47,000)	(3,892,372)

Notes to the Condensed Consolidated Interim Financial Information

34 CAPITAL COMMITMENTS

Significant capital expenditure commitments are set out below:

	As at 30 June 2026	As at 31 December 2025
	RMB'000 (Unaudited)	RMB'000 (Audited)
Property plant and equipment	19,198	40,355
Intangible assets	1,000	1,025
	20,198	41,380

35 RELATED PARTY TRANSACTIONS

The founder of the Group is Dr. Shen Yichen.

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

Notes to the Condensed Consolidated Interim Financial Information

35 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Relationship with related parties:

Save as disclosed elsewhere in this report, the directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group:

Name of related parties	Relationship with the Group
Dr. Shen Yichen	Founder, executive director, chief executive officer and one of the single largest shareholders of the Company
Youguang Cayman	Ultimate parent company of the Group before Reorganisation
Shanghai Youguang Yihui Enterprise Management Partnership (Limited Partnership) (上海有光耀輝企業管理合夥企業(有限合夥), hereafter referred to as "Youguang Yihui")	One of the single largest shareholders of the Company and controlled by the founder
Shanghai Youguang Zhiyuan Enterprise Management Partnership (Limited Partnership) (上海有光致遠企業管理合夥企業(有限合夥), hereafter referred to as "Youguang Zhiyuan")	One of the single largest shareholders of the Company and act in concert with the founder
LightAI EIP Holdings LP ("LightAI EIP")	One of the single largest shareholders of the Company and act in concert with the founder
MachC L.P. ("Mach C")	One of the single largest shareholders of the Company and act in concert with the founder

Notes to the Condensed Consolidated Interim Financial Information

35 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties:

Save as disclosed elsewhere in this report, below are the transactions with related parties in the reporting periods presented.

(i) Key management compensations

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Wages, salaries and bonuses	4,205	4,394
Pension costs — defined contribution plans	135	134
Other social security costs, housing benefits and other employee benefits	170	163
Share-based compensation expenses	113,470	11,868
	117,980	16,559

(ii) Net cash settled related to amounts due from Youguang Cayman arising from the issuance of preferred shares

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Youguang Cayman	—	209,593

Notes to the Condensed Consolidated Interim Financial Information

35 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties: (continued)

(iii) Option exercise deposit received from employees on behalf of Youguang Cayman

	Six months ended 30 June	
	2026	2025
	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
Youguang Cayman	—	565

(iv) Proceeds received from related parties for capital contribution

	Six months ended 30 June	
	2026	2025
	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
Youguang Yihui	—	7,290
Youguang Zhiyuan	—	4,431
LightAI EIP	—	4,431
Mach C	—	9,090
	—	25,242

36 CONTINGENCIES

As at 30 June 2026, there was no significant contingency item for the Group.

37 SUBSEQUENT EVENTS

There are no material subsequent events after 30 June 2026.



Definitions

In this interim report, unless the context otherwise requires, the following terms shall have the meaning set out below.

"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"China" or "PRC"	the People's Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires otherwise, references in this interim report to "China" and the "PRC" do not apply to Hong Kong, the Macao Special Administrative Region and Taiwan
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	Shanghai Xizhi Technology Co., Ltd. (上海曦智科技股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (stock code: 1879)
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Global Offering"	has the same meaning as defined in the Prospectus
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKEX Guide"	the "Guide for New Listing Applicants" published by the Stock Exchange in November 2023 which took effect on January 1, 2024
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

Definitions

"H Share(s)"	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
"IFRS"	IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and Interpretation issued by the International Accounting Standards Committee
"Interim Financial Information"	the condensed consolidated interim financial information of the Group for the Reporting Period
"Listing"	the listing of the H Shares on the Stock Exchange
"Listing Date"	April 28, 2026, being the date on which the H Shares were listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Over-allotment Option"	has the same meaning as defined in the Prospectus
"Pre-IPO Investor(s)"	the investor(s) of the pre-IPO investment(s) in the Company, the details of which are set out in "History, Development and Corporate Structure-Pre-IPO Investments" in the Prospectus
"Prospectus"	the prospectus of the Company dated April 20, 2026
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	the six months ended June 30, 2026
"SFO"	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)



Definitions

"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.0 each, comprising Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Single Largest Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Specialist Technology Product(s)"	has the meaning ascribed thereto under the Listing Rules
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"U.S." or "United States"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"US\$"	United States dollars, the lawful currency of the United States
"Unlisted Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
"%"	per cent