LUYUAN

绿源

Luyuan Group Holding (Cayman) Limited
綠源集團控股（開曼）有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2451)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board (the "**Board**") of directors (the "**Directors**") of Luyuan Group Holding (Cayman) Limited (the "**Company**" or "**Luyuan**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2026 (the "**Reporting Period**"), together with the business highlights as follows:

BUSINESS HIGHLIGHTS

- The Group maintained resilient operating quality despite cyclical demand adjustments in the electric two-wheeler industry, with gross profit margin improving by 0.2 percentage points period-on-period to 13.8%.

- The continuous update of the Group's core product, resulting in the significant sales volume of electric motorcycle growing approximately 78.2% period-on-period to around 402,000 units for the period ended June 30, 2026. According to the ranking compiled and published by the China Chamber of Commerce for Motorcycles, the Group's electric motorcycle ranked first in sales in the PRC market during the Reporting Period.

- The Group continues to drive the expansion of its core technologies in respect of liquid-cooled motor and smart manufacturing into the field of embodied intelligence. By progressing over 100,000 sets of high-precision planetary reduction joint modules and 10,000 complete unit orders, the Group gradually transitioning from technology and product validation toward scaled manufacturing and commercialization.

- During the Reporting Period, the Group strengthened its overseas business expansion, resulting in overseas sales volume growing approximately 40% period-on-period.

CONSOLIDATED INCOME STATEMENT

For the six months ended June 30, 2026

	Note	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	3	**2,463,423**	3,095,669
Cost of sales	6	**(2,123,439)**	(2,675,949)
Gross profit		**339,984**	419,720
Selling and marketing costs	6	**(135,583)**	(182,032)
Administrative expenses	6	**(60,481)**	(56,636)
Research and development costs	6	**(93,994)**	(104,213)
(Provision)/reversal of impairment on financial assets		**(1,388)**	5,054
Other income	4	**47,012**	37,150
Other expense	4	**(6,631)**	(3,591)
Other gains – net	5	**4,971**	2,658
Operating profit		**93,890**	118,110
Finance income	7	**8,404**	10,409
Finance costs	7	**(13,053)**	(10,095)
Finance (costs)/income – net	7	**(4,649)**	314
Share of results of associates		**(592)**	(1,200)
Profit before income tax		**88,649**	117,224
Income tax expenses	8	**(13,567)**	(7,108)
Profit for the period		**75,082**	110,116
Attributable to the equity holders of the Company		**75,082**	110,116
Earnings per share for profit attributable to equity holders of the Company			
– Basic *(RMB per share)*	9	**0.20**	0.29
– Diluted *(RMB per share)*	9	**0.19**	0.28

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**75,082**	110,116
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**19,473**	7,803
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of tax	**(339)**	(157)
Items that will not be reclassified to profit or loss:		
Exchange differences on translation of the Company	**(21,216)**	(8,471)
Other comprehensive income for the period, net of tax	**(2,082)**	(825)
Total comprehensive income for the period	**73,000**	109,291
Total comprehensive income attributable to:		
– Equity holder of the Company	**73,000**	109,291
– Non-controlling interests	**–**	–
	73,000	109,291

CONSOLIDATED BALANCE SHEET
As at June 30, 2026

	Note	**As at June 30, 2026** *RMB'000* **(Unaudited)**	As at December 31, 2025 *RMB'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**1,363,391**	1,312,395
Right-of-use assets		**161,800**	166,279
Intangible assets		**4,202**	2,136
Financial assets at fair value through profit or loss		**63,854**	3,300
Investments in associates		**21,409**	22,000
Deferred income tax assets		**32,466**	26,061
Other receivables and prepayments	*12*	**191,873**	187,231
Time deposits		**50,000**	50,000
Trade receivables	*11*	**2,070**	2,745
		1,891,065	1,772,147
Current assets			
Inventories	*10*	**321,493**	334,387
Trade and notes and lease receivables	*11*	**602,526**	388,103
Other receivables and prepayments	*12*	**507,846**	354,906
Financial assets at fair value through profit or loss		**1,000,641**	997,528
Debt instruments at fair value through other comprehensive income		**55,983**	64,904
Time deposits		**475,050**	342,550
Restricted cash		**149,400**	362,460
Cash and cash equivalents		**346,916**	474,779
		3,459,855	3,319,617
Total assets		**5,350,920**	5,091,764
Net current assets		**78,682**	310,416

	Note	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
OWNERS' EQUITY			
Share capital		**305**	305
Share premium		**717,979**	717,979
Other reserves		**205,378**	219,988
Retained earnings		**806,101**	737,839
Capital and reserve attributable to equity holders of the Company		**1,729,763**	1,676,111
Non-controlling interests		**–**	–
Total equity		**1,729,763**	1,676,111
LIABILITIES			
Non-current liabilities			
Borrowings	*15*	**176,910**	342,080
Provisions		**11,665**	11,844
Lease liabilities		**8,205**	12,210
Deferred income		**43,204**	37,545
Deferred income tax liabilities		**–**	2,773
		239,984	406,452
Current liabilities			
Trade and notes and other payables	*14*	**2,149,926**	1,940,681
Contract liabilities		**76,077**	90,169
Borrowings	*15*	**1,115,124**	944,348
Provisions		**4,259**	3,345
Lease liabilities		**10,648**	9,420
Income tax liabilities		**25,139**	21,238
		3,381,173	3,009,201
Total liabilities		**3,621,157**	3,415,653
Total equity and liabilities		**5,350,920**	5,091,764

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

The Company was incorporated in Cayman Islands on February 18, 2009 as an exempted company. The address of its registered office is P.O. Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands.

The Group is principally engaged in electric vehicle business in the People's Republic of China (the "**PRC**").

The ultimate holding companies of the Company are Apex Marine Investments Limited, Drago Investments Limited, and Best Expand Holdings Limited, which are incorporated in the British Virgin Islands, and the ultimate controlling shareholders of the Company are Mr. Ni Jie and Ms. Hu Jihong (the "**Controlling Shareholders**").

The condensed interim consolidated financial statements are presented in RMB (RMB'000), unless otherwise stated, and have been approved for issue by the Board of Directors of the Company on August 26, 2026.

This condensed consolidated interim financial information has not been audited or reviewed.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

This interim financial statements for the six months ended June 30, 2026 have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34 – Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 2.2.

These interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information and disclosures in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2025, which have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKFRSs**").

2.2 Change in accounting policies and disclosures

New and amended standards of HKFRSs effective from January 1, 2026

A number of new or amended standards became applicable for the current reporting period. The adoption of these new standards and amendments did not have material impact on the Group's financial position or operating result and did not require retrospective adjustment.

Standards and amendments	**Effective for accounting periods beginning on or after**
Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7	January 1, 2026
Contracts Referencing Nature-dependent Electricity – Amendments to HKFRS 9 and HKFRS 7	January 1, 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	January 1, 2026

New standards, amendments and interpretation of HKFRSs, not yet adopted

Certain new accounting standards, amendments and interpretation have been published that are not mandatory for the six month ended June 30, 2026 and have not been early adopted by the Group. The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretations, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, these standards and amendments are not expected to have a significant impact on the Group's financial performance and position, except HKFRS 18, which may mainly impact the presentation of the consolidated statements of the comprehensive income and the Group is still in the process of assessing the impact.

Standards and amendments	**Effective for accounting periods beginning on or after**
IFRS 18 Presentation and Disclosure in Financial Statement	January 1, 2027
IFRS 19 Subsidiaries without Public Accountability – Disclosures	January 1, 2027
Amendments to IAS 21 on Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to illustrative Examples on IFRS 7, IFRS 8, IAS 1, IAS 8, IAS 36, IAS 37 – Disclosures about Uncertainties in the financial statements	January 1, 2027
IFRS 20 Regulatory Assets and Regulatory Liabilities	January 1, 2029
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

3 REVENUE AND SEGMENT REPORTING

3.1 Disaggregation of revenue from contract with customers

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of goods	**2,443,142**	3,077,791
Revenue from services	**20,281**	17,878
	2,463,423	3,095,669
Timing of revenue recognition		
At point in time	**2,443,142**	3,077,791
Over time	**20,281**	17,878
	2,463,423	3,095,669

Information about major customers

For the six months ended June 30, 2025 and 2026, no individual customer's revenue contributed over 10% of the Group's revenue.

3.2 Segment information

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions.

For management purposes, the Group is not organized into business units based on their products and services, the Group has only one reportable operating segment which is engaged in the development, manufacture and sale of electric vehicles and related accessories. Accordingly, no segment information is presented.

Geographical information

Since over 90% of the Group's revenue and operating profit were generated from the sales of electric vehicles in the PRC and over 90% of the Group's non-current assets and liabilities were located in the PRC, no geographical information is presented in accordance with HKFRS 8 Operating Segments.

4 OTHER INCOME AND EXPENSE

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Income from obsolete material and work in progress	**4,933**	4,100
Rental income from operating lease	**1,690**	641
Interest income from loans to a third party	**4,380**	–
Interest income from time deposits	**2,443**	4,508
Interest income from financing lease and long-term receivables	**44**	74
Government grants *(Note)*	**27,819**	23,237
Others	**5,703**	4,590
	47,012	37,150
Other expense		
Cost of obsolete material and work in progress	**(2,372)**	(2,025)
Others	**(4,259)**	(1,566)
	(6,631)	(3,591)

Note: The government grants mainly comprised the general support, subsidies for stabilizing employment, tax refunds and other subsidies granted by the local governments.

5 OTHER GAINS – NET

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Exchange losses	**(828)**	(332)
Fair value changes on financial assets at fair value through profit or loss	**13,412**	8,225
Donation	**(200)**	(300)
(Losses)/gains on disposal of property, plant and equipment and right-of-use assets	**(436)**	7
Losses on disposal of financial assets at fair value through other comprehensive income	**(4,189)**	(3,706)
Others – Net	**(2,788)**	(1,236)
	4,971	2,658

6 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs, administrative expenses and research and development costs are analyzed as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Raw materials and consumables used	**1,987,893**	2,498,573
Employee benefits expenses	**161,734**	192,355
Advertising expense	**33,103**	61,613
Outsourcing labor fee	**61,562**	81,430
Freight	**8,822**	10,030
Travel expense	**19,400**	22,028
Consulting costs	**15,031**	14,350
Depreciation of property, plant and equipment	**65,326**	53,536
Amortization of intangible assets	**283**	111
Depreciation of right-of-use assets	**5,945**	6,204
Expense relating to short-term leases or low value leases	**1,968**	2,335
Design fee	**8,359**	24,895
Warranty	**1,059**	2,618
Tax and surcharges	**14,104**	18,550
Office expense	**9,137**	9,122
Auditors' remuneration		
– Audit services	**989**	1,155
– Non-audit services	**266**	572
Other expenses	**18,516**	19,353
Total cost of sales, selling and marketing costs, administrative expenses and research and development costs	**2,413,497**	3,018,830

7 FINANCE INCOME – NET

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance costs		
– Interest on bank loans and other loans	**(12,715)**	(9,650)
– Interest on lease liabilities	**(338)**	(445)
Total finance costs	**(13,053)**	(10,095)
Finance income		
– Interest income on bank deposits	**8,404**	10,409
Net finance income	**(4,649)**	314

8 INCOME TAX EXPENSES

	Six months ended June 30, **2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
PRC corporate income tax	**19,859**	19,272
Deferred income tax	**(6,292)**	(12,164)
Total income tax expenses	**13,567**	7,108

The general PRC corporate income tax (CIT) rate is 25% during the six months ended June 30, 2025 and 2026 except that two subsidiaries apply the income tax rate of 15% pertaining to their high-tech certificate and seventeen subsidiaries enjoy preferential income tax rate for small low-profit enterprises.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are generally subject to a 10% withholding tax rate. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%. Luyuan International (Hong Kong) Limited applied the 5% benefit treaty rate on the dividend repatriation during the six month ended June 30, 2026 and the year ended December 31, 2025.

As at June 30, 2026, deferred tax expenses and a corresponding deferred tax liability of RMB4,732,000 (December 31, 2025: RMB3,845,000) had been recognized in respect of the withholding tax payable on the retained earnings of the Group's PRC subsidiaries generated which the directors expect to distribute outside the PRC in the foreseeable future.

Since the Group can control the quantum and timing of distribution of profits of the Group's PRC subsidiaries, deferred tax liabilities are only provided to the extent that such profits are expected to be distributed in the foreseeable future.

9 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share ("**EPS**") is calculated by dividing the profit of the Group attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue excluding treasury shares during each period.

	Six months ended June 30, **2026** **(Unaudited)**	2025 (Unaudited)
Profit attributable to equity holders of the Company *(RMB'000)*	**75,082**	110,116
Weighted average number of shares in issue excluding treasury shares *(in thousand)*	**382,684**	379,215
Basic earnings per share *(RMB per share)*	**0.20**	0.29

(b) Dilute earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Options and shares granted to employees are considered to be potential ordinary shares.

	Six months ended June 30,	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company *(RMB'000)*	**75,082**	110,116
Weighted average number of ordinary shares in issue excluding treasury shares *(in thousand)*	**382,684**	379,215
Adjustments for share-based compensation *(in thousand)*	**15,628**	14,831
Weighted average number of ordinary shares for the calculation of diluted EPS *(in thousand)*	**398,312**	394,046
Diluted earnings per share *(RMB per share)*	**0.19**	0.28

10 INVENTORIES

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Raw materials	**72,025**	50,417
Work in progress	**21,753**	15,902
Finished goods	**226,260**	267,448
Goods in transit	**1,455**	620
	321,493	334,387

No inventory provision was made for the six months ended June 30, 2025 and 2026.

During the six months ended June 30, 2025 and 2026, inventories recognized as cost of sales amounted to approximately RMB2,498,573,000 and RMB1,987,893,000 respectively.

11 TRADE AND NOTES RECEIVABLES

(a) Trade receivables – current and notes receivables

	As at June 30, 2026 *RMB'000* **(Unaudited)**	As at December 31, 2025 *RMB'000* (Audited)
Trade receivables – current	**557,217**	304,674
Less: Provision for impairment of receivables – current	**(36,685)**	(35,381)
	520,532	269,293
Notes receivables	**82,315**	119,275
Less: Provision for impairment of receivables	**(321)**	(465)
	81,994	118,810
	602,526	388,103

The ageing analysis of trade receivables – current, based on the revenue recognition date is as follows:

	As at June 30, 2026 *RMB'000* **(Unaudited)**	As at December 31, 2025 *RMB'000* (Audited)
Less than 1 year	**527,506**	275,554
Between 1 and 2 years	**10,493**	12,671
Between 2 and 3 years	**4,041**	2,170
Over 3 years	**15,177**	14,279
	557,217	304,674

(b) Trade receivables – non-current

	As at June 30, 2026 *RMB'000* (Unaudited)	As at December 31, 2025 *RMB'000* (Audited)
Trade receivables non-current	**2,168**	2,876
Less: Provision for impairment of receivables – non-current	**(98)**	(131)
	2,070	2,745

The ageing analysis of trade receivables – non-current, based on the revenue recognition date is as follows:

	As at June 30, 2026 *RMB'000* (Unaudited)	As at December 31, 2025 *RMB'000* (Audited)
Less than 1 year	**2,168**	2,876
Between 1 and 2 years	**–**	–
	2,168	2,876

Majority of Group's trade and notes receivables were denominated in RMB.

12 OTHER RECEIVABLES AND PREPAYMENTS

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Non-current		
Prepayments for land use rights, construction and equipment	**51,597**	70,952
Deposits	**3,695**	4,563
Payment of decoration costs	**136,681**	111,839
Less: Provision for impairment of other receivables	**(100)**	(123)
	191,873	187,231
Current		
Prepayments for raw materials	**128,757**	71,457
Prepaid expenses	**98,494**	95,646
Prepaid taxes and surcharges and input VAT to be deducted	**43,106**	65,858
Loans to a third party	**153,358**	53,358
Deposits	**1,606**	536
Payment of decoration costs	**56,709**	61,620
Others	**36,788**	17,093
Less: Provision for impairment of other receivables	**(10,972)**	(10,662)
	507,846	354,906
	699,719	542,137

13 DIVIDENDS

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Final dividends for the year ended 31 December 2025 (the year ended 31 December 2024: 15 HK cents) per fully paid share	**–**	56,628

14 TRADE AND NOTES AND OTHER PAYABLES

	As at June 30, 2026 *RMB'000* **(Unaudited)**	As at December 31, 2025 *RMB'000* (Audited)
Trade payables	**926,123**	567,890
Notes payable	**1,092,741**	1,189,412
Other tax payables	**27,867**	37,015
Payable for equipment	**26,547**	37,602
Deposits	**16,275**	23,697
Accrued expenses	**31,317**	24,502
Accrued payroll	**24,504**	56,624
Others	**4,552**	3,939
	2,149,926	1,940,681

The ageing analysis of trade payables based on invoice date as at December 31, 2025 and June 30, 2026 are as follows:

	As at June 30, 2026 *RMB'000* **(Unaudited)**	As at December 31, 2025 *RMB'000* (Audited)
Less than 1 year	**903,062**	525,707
Between 1 and 2 years	**9,817**	31,892
Between 2 and 3 years	**3,568**	3,377
Over 3 years	**9,676**	6,914
	926,123	567,890

As at December 31, 2025 and June 30, 2026, the fair value of trade and notes and other payables approximate their carrying amounts.

As at December 31, 2025 and June 30, 2026, the carrying amounts of trade and notes and other payables are denominated in RMB and HKD.

15 BORROWINGS

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
– Bank loans-secured	**269,000**	322,500
– Bank loans-unsecured	**73,750**	35,000
Less: Current portion of long-term borrowings		
– Bank loans-secured	**(139,340)**	(14,220)
– Bank loans-unsecured	**(26,500)**	(1,200)
Total non-current borrowings	**176,910**	342,080
Borrowings included in current liabilities:		
– Bank loans-secured	**60,256**	83,325
– Bank loans-unsecured	**316,000**	146,000
– Other borrowings	**573,028**	699,603
Add: Current portion of long-term borrowings		
– Banks loans-secured	**139,340**	14,220
– Bank loans-unsecured	**26,500**	1,200
Total current borrowings	**1,115,124**	944,348
Total borrowings	**1,292,034**	1,286,428

BUSINESS REVIEW AND OUTLOOK

Business Review

In the first half of 2026, against the backdrop of the phasing out of the trade-in policy for electric bicycles, the implementation of new national standards driving further enhancement of industry standards, and the continuous upgrading of consumer demand for safety, quality, and intelligent products, the electric two-wheeler industry overall maintained steady development while evolving further toward standardization, quality, and intelligence. As regulatory requirements continued to tighten and consumers' expectations for product standards continued to rise, industry competition has gradually shifted from a price-oriented focus to a comprehensive competition based on product strength, brand strength, channel strength, and quality control capabilities. Market resources are expected to further concentrate on companies with advantages in compliant operations, R&D and manufacturing capabilities, and brand management.

During the Reporting Period, the Group continued to promote the implementation of its "One Body, Two Wings" (一體兩翼) strategy, focusing on enhancing quality and efficiency in its main business, steadily advancing product upgrades, optimizing channels, and cultivating new growth curves. Leveraging its deep technological accumulation in liquid-cooled motor systems, motion control, and intelligent control, the Group actively extended its core capabilities to the embodied intelligence field, building itself into a technology-driven manufacturing enterprise underpinned by intelligent manufacturing. Despite the challenging market environment, the Group continued to strengthen its manufacturing capacity, quality control, technology R&D, and brand building capabilities, laying a solid foundation for long-term sustainable development.

During the Reporting Period, the Group recorded revenue of RMB2,463.4 million, representing a decrease of approximately 20.4% compared to the same period of 2025; the profit attributable to owners of the Company was RMB75.1 million, representing a decrease of approximately 31.8% compared to the same period of 2025. These changes in revenue and profit attributable to owners of the Company were primarily due to:

(i) cyclical adjustment in industry demand. Following the full transition to the new national standards, consumers needed time to adapt to new products. Demand from end users seeking replacements slowed, leading to a year-on-year decline in sales volume and consequently a decrease in the Company's revenue; and

(ii) increased strategic investment. To capitalize on opportunities arising from industrial upgrading, the Company proactively expanded into new growth curves including high-speed electric motorcycles and embodied intelligent robot, while accelerating the build-out of overseas market channels and product localization. Related research and development costs and upfront investments grew significantly year-on-year, resulting in a temporary decline in profit.

Research and Development

During the Reporting Period, the Group's R&D expenditure amounted to RMB94.0 million, representing a decrease of approximately 9.81% compared to RMB104.2 million in the same period of 2025. The Group reallocated its R&D resources to new business lines such as high-speed electric motorcycles and embodied intelligent robotics from traditional two-wheeled vehicle business, aligning with its "One Body, Two Wings" strategy. The Group's R&D efforts remain consistently driven by user needs, with a focus on the two core systems of durability and intelligence. Through the six core technologies "liquid-cooled powertrain technology, battery and charging technology, safety braking technology, in-vehicle OS technology, smart battery-swapping technology, and liquid-cooled smart powertrain technology", the Group continues to drive product upgrades and iterations.

As of June 30, 2026, the Group held 1,223 patents. During the Reporting Period, the Group filed 64 new patent applications and was granted 118 patents, further solidifying its intellectual property foundation in core technology areas. The Group's self-developed liquid-cooled motor system, battery maintenance system, and other proprietary technologies have been widely recognized, with the Group being named "Global Liquid-Cooled Motor Pioneer" and "National Intellectual Property Advantage Enterprise." While continuing to deepen its expertise in core electric bicycle technologies, the Group has actively explored new business opportunities for its electric motorcycle models and its expansion into overseas markets, while actively developing key components for embodied intelligence to improve its future performance.

The Group continues to drive the expansion of its core technologies in respect of liquid-cooled motor and smart manufacturing into the field of embodied intelligence. During the Reporting Period, the Group strategically advanced the development of key components for embodied intelligent robots. Leveraging its deep expertise in motor systems, motion control, and intelligent control technologies, the Group drove technological breakthroughs in robotic motion components – targeting improvements in motion stability, control precision, and energy efficiency – striving to achieve industry-leading engineering capabilities and technical standards in critical drive system components for embodied intelligent robotics applications. Meanwhile, leveraging its technological advantages in low-voltage platforms, the Group engaged in joint R&D and complete machine design and manufacturing collaboration with partner enterprises. In this regard, the Group entered into strategic cooperation agreements with Udeer (有鹿) and Dobot (越疆), and took the lead in establishing the Jinhua Development Zone Robotics Industry Alliance, bringing together 8 research institutions and 20 core enterprises to promote industrial synergies. By progressing over 100,000 sets of high-precision planetary reduction joint modules and 10,000 complete unit orders, the Group gradually transitioning from technology and product validation toward scaled manufacturing and commercialization.

Products

The Group continuously improves its product layout to meet the diverse light mobility needs of users and, combined with brand and product strategy upgrades, further promotes the extension of its product system from traditional electric two-wheelers to "all-scenario light mobility" (全場景輕出行). According to the Group's existing product architecture, the product portfolio now covers electric motorcycles, electric bicycles, electric-assist e-bikes, leisure tricycles, scooters, commercial products, and related accessories, with a layered layout tailored for different usage scenarios, including daily commuting, family outings, service delivery, and leisure activities. During the Reporting Period, the Group has launched over 30 new models and introduced new generation for several existing products. Among these, products such as the S86, S70 Pro and Moda60 in the electric motorcycle sector, as well as the X30 and Neo series in the electric bicycle sector, further enrich the Group's product offerings across various price ranges and segmented scenarios. The continuous update of the Group's core product, resulting in the significant sales volume of electric motorcycle growing approximately 78.2% period-on-period to around 402,000 units for the period ended June 30, 2026. According to the ranking compiled and published by the China Chamber of Commerce for Motorcycles, the Group's electric motorcycle ranked first in sales in the PRC market during the Reporting Period.

The Group continues to expand its layout in new categories like electric assist e-bikes and leisure tricycles to enhance coverage of diverse consumer demands. In the high-end electric-assist bicycle sector, the Group has launched the "LYVA" brand which product lineup is centered on high quality, stylish design, and smart features to further expand our product boundaries in the high-end light mobility market. The Group continues to integrate core technologies such as liquid-cooled motors, digital battery maintenance, and intelligent interaction into its main products, continually optimizing durability, safety, range performance, and smart experiences. Related products and systems now cover functions such as intelligent power control, speed cruise, steep slope assistance, vehicle moving assistance, OTA upgrades, 4G remote unlocking, and Bluetooth contactless unlocking. Furthermore, advancements in battery management have enabled real-time battery level display, anomaly warnings, and intelligent temperature control, enhanced competitiveness through product differentiation and improved user's riding experience. In addition, the Group's products have successfully obtained certification in compliance with the updated "Safety Technical Specification for Electric Bicycles" (電動自行車安全技術規範), becoming one of the first companies in China to pass certification under this new national standard.

Production

The Group is continuously committed to enhancing its manufacturing and quality control capabilities. During the Reporting Period, the Group strictly adhered to national technical standards and continuously advanced the standardization, automation, and intelligence of its production systems while actively participating in the national electric two-wheeler safety improvement initiative. The three smart production bases located in Zhejiang (Jinhua), Guangxi (Guigang) and Shandong (Linyi) have been included in the whitelist of enterprises issued by the Ministry of Industry and Information Technology compliant with the "E-Bike Industry Standardization Requirements" (電動自行車行業規範條件). The Chongqing base is oriented towards greening and intelligence, aiming to build a comprehensive intelligent manufacturing system that further strengthens the Group's manufacturing foundation. The Group's total equipment capacity reached 5.8 million units, with planned capacity of 9.5 million units, forming a tiered and regionally coordinated production network.

During the Reporting Period, the Group continued to optimize its manufacturing system and build organizational capabilities. By integrating resources from different production bases, the Group enhanced production collaboration efficiency, product consistency, and quality stability. Simultaneously, focusing on engineering and quality capability development, the Group continually improved the specialization levels of its production bases by centering on new product introduction, advance quality planning, and centralized management of process quality. In addition to continuous optimization on the production side, the Group also enhanced production and service processes by promoting collaboration in product development chains, upgrading after-sales service models, and increasing investments in intelligent tools, thereby improving overall operational efficiency and quality control capabilities.

During the Reporting Period, the Group further extended quality management to the level of supply chain collaboration by launching the "2026 New Wave Plan" (2026新浪潮計劃). By collaborating with 135 core suppliers to deepens coordination around R&D, planning, and quality, promoting an upgrade of supply chain management from traditional procurement support to a value-sharing system. This plan helps to advance quality control further upstream into research and development, production scheduling, and supply chain collaboration, enhancing operational resilience and laying a solid foundation for quality management and manufacturing efficiency throughout the entire product lifecycle.

Customers and Sales Channels of the Group

During the Reporting Period, the Group continuously improved its multi-dimensional channel layout, strengthened online-offline collaboration, and enhanced end-to-end retail capabilities. While the Group noted that offline distribution remains the primary sales channel for electric two-wheelers in the current domestic market, and it continued to consolidate its position in the Chinese market by further expanding its extensive distribution network. As of June 30, 2026, the Group's offline distribution network covered 339 cities across 30 provincial-level administrative regions in mainland China, with nearly 14,000 offline retail outlets. To complement its offline business, the Group has opened online stores on mainstream e-commerce platforms such as Tmall (天貓), JD.com (京東), Pinduoduo (拼多多), and Douyin (抖音).

During the Reporting Period, e-commerce continued to deepen the "online ordering, in-store pickup" (線上下單，門店自提) model, bringing in orders for over 200,000 complete vehicles to offline stores through new retail operations, cumulatively assisting 8,300 offline stores successfully onboard onto major online platforms and co-building over 70 regional livestream channels together with various regions. The Group effectively utilized innovative livestreaming modes, such as expert and influencer drop-in sessions combined with executive-led livestreams collaboration, and regional group livestreaming, cumulatively achieving over 500 million impressions across all online platforms, further raising the benchmark for industry operations. At the same time, the Group's new retail business actively embraced the emerging instant retail model, partnering with JD Miaosong (京東秒送) to pioneer an "instant delivery" service for electric vehicles in the two-wheeler industry, enabling customers to place orders from home and receive delivery from their local store within one hour. In the pilot city of Zhengzhou, retail sales volume increased by 78% period-on-period in June 2025 and 2026.

Additionally, the Group has maintained stable business relationships with Didi Bike (滴滴青桔) and Meituan (美團). The Company was awarded as Didi's Gold Supplier for 2025 and has become one of the fastest-growing suppliers of electric two-wheelers to Meituan (美團), based on the procurement amount over nearly two consecutive years.

During the Reporting Period, the Group strengthened its overseas business expansion, resulting in overseas sales volume growing approximately 40% period-on-period. The Company focused on localized brand penetration and significantly enhanced regional brand recognition through digital marketing. The expansion of channels in emerging markets and deeper cooperation with existing channels together drove the growth of the sales network. On the product front, two innovative products targeting overseas battery swapping needs were launched, initiating consumer segments entry. A pilot "Service + Subscription" (服務+訂閱) business model was also introduced to enhance customer stickiness and long-term value. The Group also obtained technology licensing from BMW Group, further validating its technological strength and facilitating global brand recognition.

Marketing

During the Reporting Period, the Group continued to advance the rejuvenation, technological innovation, and global expansion of its brand, centered on its differentiated brand proposition of "durability, intelligence, and service (耐用、智能、服務)". In the first half of 2026, the Group participated in the China-Thailand Youth Cultural Exchange event, using green, light-mobility products to promote youth interaction and enhance the brand's overseas exposure. It also held the 2026 Overseas Partners Conference (2026海外合作夥伴大會) and showcased its products at the Shanghai International Bicycle Fair (上海國際自行車展), presenting a full-scenario product matrix covering electric motorcycles, e-bikes, battery-swap two-wheelers and electric tricycles, while unveiling six overseas innovation centers to strengthen its global cooperation network. In addition, the Group launched the S86 series featuring "Smart Dual-Core" technology and, together with Shenzhen Kaihong Digital Industry Development Co., Ltd. ("**Shenzhen Kaihong**"), initiated a full-scenario smart ecosystem project, further reinforcing the Group's technological image in the smart two-wheeler mobility sector. During the Reporting Period, products under the Group's LYVA brand received the Gold Award for Innovation at CHINA CYCLE and the German iF Design Award, and Luyuan was also named to the 2026 "China's 500 Most Valuable Brands" list, reflecting continued growth in brand awareness and recognition.

Environmental, social, and governance

The Group endeavours to uphold the concept of green development, continuously optimizes resource utilization efficiency, and actively fulfils its social responsibility for low-carbon environmental protection. In particular, the Group launched educational campaigns on battery usage, battery charging and emergency response to accidents relating to battery safety, coupled with on-site professional guidance and interactions, to enhance the public's awareness of safe usage of batteries and risk prevention. Meanwhile, the Group actively collaborated with local governments, industry associations, and public welfare organizations to jointly promote the educational campaigns, aiming at establishing a social governance cooperation platform and mobilizing multiple parties to jointly advance the standardization of industry safety.

The Group is also committed to achieving reduction of carbon reduction through continuous technological developments. Leveraging its three core technologies, namely the liquid-cooled motors, digital battery systems and solid-state electrical systems, the Group continuously enhances product energy efficiency and operational safety, while promoting resource conservation and recycling. Liquid-cooled motors improve heat dissipation efficiency and operational stability, extending the service life of the entire vehicle, reducing the frequency of core component replacements, and minimizing the consumption of critical metal materials and other resources from the source.

Digital battery systems enable intelligent management of the entire battery lifecycle, enhancing battery utilization efficiency, supporting tiered utilization and recycling, thereby reducing environmental impact. Solid-state electrical systems reduce electrical faults and maintenance frequencies through high integration and safety design, effectively lowering the frequency of component replacements and generation of electronic waste, thereby improving resource utilization efficiency. The accelerated application of these three core technologies in diverse scenarios such as urban commuting and logistics distribution effectively promotes industrywide carbon and emissions reduction and lowers consumption of society resources, achieving synergistic development in environmental protection, social responsibility and corporate governance. Meanwhile, the Group's newly built Chongqing smart production plant strictly follows "Green Factory" standards, actively exploring carbon neutrality practices throughout the product lifecycle through comprehensive green production processes and all-round energy saving and carbon-reduction measures.

Outlook

Looking back at industry development, China's electric two-wheeler sector has gradually transitioned from incremental expansion to a stage of competitive market share, where growth solely driven by increased investment is experiencing diminishing marginal returns. In the Reporting Period, based on our advantages and long-term development perspective, the Group has identified new strategic opportunities: on one hand, the overseas electric two-wheeler market is still in a continuous growth phase, presenting a vast market space that is expected to provide new momentum for industry participants; on the other hand, with the ongoing advancements in artificial intelligence and embodied robotics, continuous improvement in product capabilities, and the gradual expansion of application scenarios, the embodied robots industry is in a critical stage of accelerated development, with market potential continuously being released and promising future prospects.

Based on a prudent assessment of industry trends, as well as a comprehensive consideration of the Group's resource endowments, core technology accumulation, and manufacturing capabilities, the Group continues actively advancing the "One Body, Two Wings" development strategy. This strategy positions the domestic electric two-wheeler business as the "One Body" (一體), while overseas business and the embodied intelligent robots business serve as the "Two Wings" (兩翼). By developing overseas business and embodied intelligent robot business, the Group will further expand our market coverage. In the face of a continuously evolving market environment and competitive landscape, the Group will continue to focus on technological research and development, manufacturing, and brand building as key initiatives, steadily advancing the implementation of the "One Body, Two Wings" strategy, continuously solidifying core competitive advantages, optimizing business layout, and further enhancing the Group's overall risk resistance and sustainable development capabilities.

- ***Deepen Core Technology Strengths; Drive Intelligent Upgrading:***

  On May 23, 2026, the Group entered into a strategic agreement with Shenzhen Kaihong to jointly launch the "Luyuan All-Scenario Smart Ecosystem Project (綠源全場景智慧生態項目)". Building on the OpenHarmony underlying operating system, the parties will jointly develop an intelligent interaction and rider-assistance system for electric two-wheeled vehicles, driving the Group's product offering to upgrade from hardware manufacturing towards all-scenario smart connectivity spanning "People – Vehicle – Home – Road (人-車-家-路)". This project represents the first application of a domestically developed operating system at the foundational level within the RMB-hundred-billion-scale electric two-wheeler mobility market, and is expected to have a positive impact on the Company's intelligent transformation and ecosystem expansion.

  The Group will continue to increase R&D investment in new business lines such as high-speed electric motorcycles and embodied intelligent robotics from traditional two-wheeled vehicle business and, continually expanding its core technologies in respect of liquid-cooled motor and smart manufacturing into the field of embodied intelligence. While reinforcing fundamental capabilities such as product safety, durability, and range, it will also intensify R&D efforts in the field of intelligence, evolving product intelligence capabilities from basic connectivity to higher levels of perception and collaboration. This will support the ongoing optimization of product structures and steady improvement of overall competitiveness. Building on its core technological advantages, the Group will also increase R&D investment in high-end product-related technologies, focusing on high-performance products in power systems, battery technology, and charging technology to continuously enhance the performance and market competitiveness of high-end products. At the same time, to accelerate the transformation of technological achievements and improve R&D efficiency, the Group will continue to enhance the construction of a unified R&D platform, promote modular design, optimize development processes, and apply technological collaborations to improve the efficiency of core technologies across different product lines, enabling more effective responses to market demands.

- ***Boost Intelligent Manufacturing Efficiency and Collaboration; Solidify High-Quality Delivery Capability:***

  The Group will continue to advance the upgrades and renovations of its smart manufacturing factories, further optimizing capacity layout and enhancing the automation, intelligence, and collaboration levels of its production system to strengthen capacity assurance and delivery efficiency, supporting continued business development and product structure upgrades. Additionally, the Group will continue to promote specialized capability enhancement projects, improving the manufacturing management system, strengthening cross-base collaboration, and optimizing operational processes to continually enhance overall manufacturing efficiency, product consistency, and quality stability. In terms of supply chain management, the Group will participate in the "New Wave Plan" (新浪潮計劃) to continuously promote the "Three Collaborations" (三協同) mechanism with suppliers, deepening collaboration with core suppliers in development, planning, and quality to further enhance supply chain responsiveness, support efficiency, and operational resilience, thereby laying a firmer manufacturing foundation for the Group's future stable development.

- ***Enhance Brand Recognition to Shape Tech Perception; Expand the Ecosystem to Unlock Global Opportunities:***

  The Group will closely align with its vision of "all-scenario light mobility" to promote "One Body, Two Wings" brand building, continuously enhancing brand recognition and influence. Around the theme of brand connotation upgrade, the Group will solidify the differentiated advantages of "liquid cooling technology" (液冷科技) in durability and performance, creating a "liquid cooling smart power technology platform" (液冷智慧動力技術平台) that covers both two-wheelers and embodied intelligent robots, while promoting deep integration of smart technology with product experience and youthful expression of technology to strengthen perceptions of innovation and quality. In marketing system upgrades, the Group will continue to leverage strengths in entertainment marketing and content dissemination, deepening digital marketing capabilities to enhance brand reach and conversion efficiency, further shaping a youthful and dynamic brand image. In the field of embodied intelligent robots, the Group will leverage its core technological strengths to actively integrate into the embodied intelligent robots ecosystem, telling compelling stories of complementary empowerment through strategic cooperation and scenario co-creation, promoting the brand towards a technology platform-oriented manufacturing industry. Regarding international expansion, the Group will actively seize opportunities in international markets by participating in key international exhibitions, deepening cooperation with well-known international brands, and enhancing overseas market promotion to continuously increase global market influence. At the same time, the Group will adhere to a long-term perspective, promoting cross-border cooperation and ESG related brand building by integrating green, low-carbon, quality mobility, and social responsibility concepts into brand narratives, further enhancing brand credibility and long-term value.

- ***Build an Integrated Foundation with Two Powered Wings; Open New Depths for Long-Term Growth:***

  In 2026, the Group will continue to expand new businesses and cultivate new growth momentum around the "One Body, Two Wings" strategy. While consolidating the domestic electric two-wheeler core business, the Group will steadily advance its overseas operations and explore new directions such as embodied intelligent robots. In terms of overseas business, the Group will leverage its cooperation with BMW Group and other outstanding enterprises in technology, channels, markets, brands, and R&D to continuously refine its product matrix in key markets. It will orderly promote localized certification, localized production, and channel development, gradually enhancing the systematic capabilities for expanding its overseas business. Regarding embodied intelligent robots, the Group will adhere to the principles of cautious advancement and collaborative development, further clarifying its strategic positioning as one of the "wings." Utilizing the Group's core technological advantages and scaled manufacturing capabilities in areas such as motors and reduction components, it will facilitate the transformation and application of core technologies highly related to embodied intelligent robots joint technology in new application scenarios, enhancing industrial synergies and resource allocation efficiency. Based on the Group's participation in building a robotics industry alliance and preliminary achievements in collaboration with embodied intelligent robots companies like Udeer (有鹿) and Dobot (越疆) in areas such as component supply, joint R&D design, and complete machine manufacturing, the Group will continue to steadily advance the development of related businesses, focusing on adapting to scenarios, partners, and commercialization pathways, and gradually form new sources of growth to support the Group's long-term expansion. Specifically, the Group targets to deliver over 100,000 sets of high-precision planetary reduction joint modules and 10,000 complete units to its strategic partner Udeer in 2026, and will continue to explore cooperation with more robotics companies to expand its component business. Due to the continuous product upgrades, Udeer has slowed down the ordering process, and the delivery schedule has been extended. The Group expects to manufacture and deliver 50% of these modules and complete units within the year and the remaining in the first half of 2027.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The Group recorded revenue of RMB2,463.4 million for the six months ended June 30, 2026, representing a decrease of approximately 20.4% from RMB3,095.7 million for the same period in 2025, primarily due to cyclical adjustment in industry demand. Following the full transition to the new national standards, consumers needed time to adapt to new products. Demand from end users seeking replacements slowed, leading to a period-on-period decline in sales volume and consequently a decrease in the Company's revenue.

	Six months ended June 30,			
	2026		2025	
	RMB'000	**%**	*RMB'000*	%
Types of products				
Electric bicycles	**1,227,857**	**49.8**	1,996,788	64.5
Electric scooters[1]	**626,554**	**25.4**	354,128	11.4
Batteries[2]	**459,653**	**18.7**	596,523	19.3
Electric two-wheeled vehicle parts[3]	**100,287**	**4.1**	106,815	3.5
Others	**28,791**	**1.2**	23,537	0.8
Subtotal	**2,443,142**	**99.2**	3,077,791	99.4
Types of services				
Training services	**10,215**	**0.4**	9,438	0.3
Others	**10,066**	**0.4**	8,440	0.3
Subtotal	**20,281**	**0.8**	17,878	0.6
Total	**2,463,423**	**100.0**	3,095,669	100.0

Notes:

(1) Representing electric motorcycles and electric mopeds. The revenue and sales volume of electric mopeds represent a relatively small portion of the Group's total revenue and sales volume, thus the revenue of electric mopeds has been grouped together with that of electric motorcycles.

(2) Representing batteries sold together with the Group's electric two-wheeled vehicles.

(3) Representing vehicle parts, such as tires and batteries, sold separately to distributors for their provision of after-sales services to end customers.

Revenue from sales of electric bicycles decreased by approximately 38.5% from RMB1,996.8 million for the six months ended June 30, 2025 to RMB1,227.9 million for the same period in 2026, primarily due to a cyclical decline in demand for electric two-wheeled vehicles in the PRC, as consumers took time to adapt to new products following the full transition to the new national standards, slowing replacement demand and reducing sales volume of electric two-wheeled vehicles.

Revenue from sales of electric scooters increased by approximately 76.9% from RMB354.1 million for the six months ended June 30, 2025 to RMB626.6 million for the same period in 2026, primarily because scooters can meet consumers' diversified travel needs, such as long-distance commuting, leading to a continuous increase in market demand.

Revenue from sales of batteries decreased by approximately 22.9% from RMB596.5 million for the six months ended June 30, 2025 to RMB459.7 million for the same period in 2026, primarily due to a cyclical decline in demand for electric two-wheeled vehicles and correspondingly batteries in the PRC, resulting in a decline in sales volume of batteries.

Revenue from sales of electric two-wheeled vehicle parts decreased by approximately 6.1% from RMB106.8 million for the six months ended June 30, 2025 to RMB100.3 million for the same period in 2026, primarily due to the expansion of e-commerce channels for parts, together with the upgrading of parts quality and innovation in derivative products, jointly drove growth that partially offset the overall trend in complete vehicle sales.

Revenue from sales of other products increased by approximately 22.3% from RMB23.5 million for the six months ended June 30, 2025 to RMB28.8 million for the same period in 2026, primarily due to the Group leveraging its established distribution channels to expand its product offerings for scenarios such as commuting and short-distance logistics, which drove growth in revenue for sales of tricycles.

Cost of Sales

Cost of sales of the Group decreased by approximately 20.6% from RMB2,675.9 million for the six months ended June 30, 2025 to RMB2,123.4 million for the same period in 2026, in line with the decline in the Group's production and sales volume.

Gross Profit and Gross Profit Margin

As a result of the foregoing, gross profit for the Group decreased by approximately 19.0% from RMB419.7 million for the six months ended June 30, 2025 to RMB340.0 million for the same period in 2026. The Group maintained resilient operating quality despite cyclical demand adjustments in the electric two-wheeler industry, with the gross profit margin for the Group increased by approximately 0.2 percentage point from 13.6% for the six months ended June 30, 2025 to 13.8% for the same period in 2026.

Selling and Marketing Costs

Selling and marketing costs decreased by approximately 25.5% from RMB182.0 million for the six months ended June 30, 2025 to RMB135.6 million for the same period in 2026, primarily attributable to (i) sales performance falling short of expectations, resulting in a reduction of related expenses; and (ii) the Group's efforts in exploring more cost-effective sales channels.

Administrative Expenses

Administrative expenses of the Group increased by approximately 6.8% from RMB56.6 million for the six months ended June 30, 2025 to RMB60.5 million for the same period in 2026, primarily attributable to an increase of depreciation of property, plant and equipment.

Research and Development Costs

Research and development costs decreased by approximately 9.8% from RMB104.2 million for the six months ended June 30, 2025 to RMB94.0 million for the same period in 2026. Research and development costs as a percentage of revenue increased from 3.4% for the six months ended June 30, 2025 to 3.8% for the six months ended June 30, 2026, primarily attributable to the reallocation of resources for R&D of new business lines such as high-speed electric motorcycles and embodied intelligent robotics from traditional two-wheeled vehicle business.

(Provision)/reversal of Impairment on Financial Assets

The Group recognized a provision of impairment on financial assets of RMB1.4 million for the Reporting Period, while it recognized a reversal of impairment on financial assets of approximately RMB5.1 million for the six months ended June 30, 2025, primarily attributable to an increase in the balance of trade receivables.

Other Income

Other income of the Group increased by approximately 26.5% from RMB37.2 million for the six months ended June 30, 2025 to RMB47.0 million for the same period in 2026, primarily due to an increase in government grants relating to investment in intelligent technology and R&D, and an increase in fair value gain from financial assets at fair value through profit or loss.

Other Expense

Other expense of the Group increased by approximately 84.7% from RMB3.6 million for the six months ended June 30, 2025 to RMB6.6 million for the same period in 2026, primarily attributable to an increase in the cost of sales of moulds during the Reporting Period.

Other Gains – Net

Other gains – net of the Group increased by approximately 87.0% from RMB2.7 million for the six months ended June 30, 2025 to RMB5.0 million for the same period in 2026, primarily due to an increase in investment income.

Finance (Costs)/Income – Net

Finance (costs)/income – net of the Group turned from a net finance income of RMB0.3 million for the six months ended June 30, 2025 to a net finance costs of RMB4.6 million for the same period in 2026, primarily due to an increase in interests on bank loans and other loans and a decrease in interest income on bank deposits.

Income Tax Expenses

Income tax expenses of the Group increased by approximately 90.9% from RMB7.1 million for the six months ended June 30, 2025 to RMB13.6 million for the same period in 2026, primarily due to a decrease in deferred income tax.

Profit for the Period

As a result of the foregoing, profit for the period of the Group decreased by approximately 31.9% from RMB110.1 million for the six months ended June 30, 2025 to RMB75.1 million for the same period in 2026.

Inventories

The Group's inventories consist of raw materials, work in progress, finished goods and goods in transit. The Group's inventories decreased at RMB334.4 million as of December 31, 2025 and RMB321.5 million as of June 30, 2026, primarily due to reduced production for finished goods during the Reporting Period.

Trade Receivables

As of June 30, 2026, trade receivables of the Group amounted to RMB522.6 million, representing an increase of approximately 92.1% from RMB272.0 million as of December 31, 2025, which was primarily due to a concentrated collection of receivables from corporate and institutional customers at the end of the prior period, who returned to usual levels during the Reporting Period, resulting in an increase in trade receivables.

Other Receivables and Prepayments

The Group's other receivables and prepayments increased by approximately 29.1% from RMB542.1 million as of December 31, 2025 to RMB699.7 million as of June 30, 2026, primarily due to an increase in prepayments raw materials to lock their prices, and an increase in loans to a third party.

As at June 30, 2026, the other receivables and prepayments of the Group include, among others, loans to third parties. Loans to third parties, representing loans to certain distributors to support their normal business operations in prior years and entrusted loans extended to an independent third party through financial institutions acting on the Group's behalf. Loans to certain distributors remained at RMB3.4 million as of December 31, 2025 and June 30, 2026; while the entrusted loan increased from RMB50 million to RMB150 million as of December 31, 2025 and June 30, 2026, respectively.

The Directors are of the view that the terms of the relevant loan agreements were of normal commercial terms, fair and reasonable and the granting of these loans was in the interests of the Company and the shareholders of the Company (the "**Shareholders**") as a whole.

Property, Plant and Equipment

The Group's property, plant and equipment consist of buildings, machinery and equipment, office equipment, motor vehicles, construction in progress and decoration and leasehold improvement. Property, plant and equipment of the Group increased by approximately 3.9% from RMB1,312.4 million as of December 31, 2025 to RMB1,363.4 million as of June 30, 2026, primarily due to the continuous upgrading and replacement of vehicle models at the Group's production bases, resulting in a corresponding increase in production equipment and the purchase of improved tooling, moulds and processes.

Financial Assets at Fair Value through Profit or Loss ("FVTPL")

The financial assets at FVTPL held by the Group mainly comprise certificate of deposits wealth management products. The balance of financial assets at FVTPL increased by approximately 6.4% from RMB1,000.8 million as of December 31, 2025 to RMB1,064.5 million as of June 30, 2026, primarily attributable to acquisitions and investment of minority unlisted equity interests during the Reporting Period . For the Reporting Period, the Company recorded gains from fair value changes on financial assets at FVTPL of RMB13.4 million. The Group's investment in wealth management products is for the purpose of improving the return on idle cash and bank balances.

Trade Payables

As of June 30, 2026, trade payables of the Group amounted to RMB926.1 million, representing an increase of approximately 63.1% from RMB567.9 million as of December 31, 2025, which was in line with the Group's usual procurement cycle under which purchasing activities in the second quarter are more active than that near the year-end period.

Capital Structure

The total assets of the Group increased by approximately 5.1% from RMB5,091.8 million as of December 31, 2025 to RMB5,350.9 million as of June 30, 2026. The total liabilities of the Group increased by approximately 6.0% from RMB3,415.7 million as of December 31, 2025 to RMB3,621.2 million as of June 30, 2026. Total liabilities-to-assets ratio increased from 67.1% as of December 31, 2025 to 67.7% as of June 30, 2026. The current ratio of the Group, being current assets divided by current liabilities as of the respective date, decreased from 1.10 times as of December 31, 2025 to 1.02 times as of June 30, 2026.

Liquidity, Financial Resources and Gearing Ratio

The Group adopts a stable and prudent funding and treasury policy with a view to optimizing its financial position and mitigating financial risks. The Group examines and monitors its funding requirements on a regular basis to ensure sufficient financial resources to sustain its current business operations and its future investments and expansion plans.

For the Reporting Period, the Group financed its operations primarily through cash and cash equivalents, cash flows from operating activities, available bank loans and banking facilities. The Group's primary uses of cash are to satisfy its working capital and capital expenditure needs. The Group mainly used Renminbi to hold cash and cash equivalents. Cash and cash equivalents of the Group decreased by approximately 26.9% from RMB474.78 million as of December 31, 2025 to RMB346.9 million as of June 30, 2026, primarily attributable to the purchase of additional time deposits. During the Reporting Period, the Group did not use any financial instrument for hedging purpose and did not have any outstanding hedging instruments as of June 30, 2026.

Gearing ratio is calculated by total debt, comprising borrowings and lease liabilities, divided by total equity as of the same date and multiplied by 100%. Apart from bank loans, our borrowings also include other borrowings representing discounted bank notes. The gearing ratio of the Group decreased by approximately 2.2% from 78.0% as of December 31, 2025 to 75.8% as of June 30, 2026, primarily due to an increase in total assets.

As of June 30, 2026, the Group had interest-bearing bank and other borrowings of RMB1,292.0 million (as of December 31, 2025: RMB1,286.4 million), representing 35.7% (as of December 31, 2025: 37.7%) of its total liabilities as of the same date. All of the borrowings of the Group are denominated in Renminbi. There is generally no seasonality of borrowing requirements of the Group. Of all the borrowings of the Group as of June 30, 2026, RMB1,115.1 million (as of December 31, 2025: RMB944.3 million) were repayable within one year and RMB176.9 million (as of December 31, 2025: RMB342.1 million) were repayable beyond one year. The Group's bank borrowings amounting to RMB538.7 million as of June 30, 2026 (as of December 31, 2025: RMB436.5 million) were borrowings with fixed interest rates.

As of June 30, 2026, banking facilities of the Group totalling RMB3,717.0 million (as of December 31, 2025: RMB3,220.0 million) were utilized to the extent of RMB1,553.3 million (as of December 31, 2025: RMB1,835.6 million).

Capital Expenditures

The Group's capital expenditures decreased by approximately 19.2% from RMB137.3 million for the six months ended June 30, 2025 to RMB110.9 million for the same period in 2026. The Group's capital expenditures are primarily used for the expansion of its production capacities, including the construction of additional production facilities and the upgrading of its existing machinery and equipment. The Group finances its capital expenditures through cash generated from operations and bank loans.

Foreign Exchange Risk and Hedging

The Group operates in the PRC with most of the transactions settled in Renminbi. Foreign currency risk arises when commercial transactions or recognized assets or liabilities are denominated in a currency other than the entities' functional currency. The Group is exposed to foreign currency risk primarily with respect to U.S. dollar and Hong Kong dollar.

As at the date of this announcement, the Group has not hedged its foreign currency exchange risks but has closely managed its foreign currency risk by performing regular reviews of its net foreign currency exposures and may enter into currency forward contracts, when necessary, to manage its foreign exchange exposure.

Human Resources

As of June 30, 2026, the Group had 2,695 employees. Total staff costs, including employee benefit expenses and outsourcing labor fee and Directors' remuneration, were RMB223.3 million for the Reporting Period, representing a decrease of approximately 18.4% from RMB273.8 million for the six months ended June 30, 2025. Such decrease was primarily due to a reduction in labor costs of production personnel and the optimization of staff structure.

The remuneration of employees was based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. In addition to basic salaries, employees may be offered with discretionary bonus, cash awards and share awards based on individual performance. The Group provides training periodically and across operational functions, including introductory training for new employees, technical training, product training, management training and work safety training, with a view to fostering the basic skills of new employees to perform their duties and improving the relevant skills of the existing employees as well.

For the purposes of (i) attracting, remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to qualified employees; (ii) aligning the interests of qualified employees with the Company and Shareholders; and (iii) encouraging qualified employees to contribute to the long-term growth, performance and profits of the Company and enhancing the value of the Company and its shares (the "**Shares**"), the Company adopted the Pre-IPO Share Scheme (as defined in the Prospectus) on July 20, 2023 and conditionally adopted the Post-IPO Share Scheme (as defined in the Prospectus) on August 21, 2023.

As of June 30, 2026, (i) share options which corresponded to an aggregate of 16,736,000 underlying Shares, representing approximately 4.09% of the total issued Shares (excluding treasury Shares) as of June 30, 2026, had been granted to 108 Eligible Participants (as defined in the Prospectus) under the Pre-IPO Share Scheme and, among which, (ii) share options which corresponded to an aggregate of 11,691,307 underlying Shares, representing approximately 2.86% of the total issued Shares (excluding treasury Shares) as of June 30, 2026, remained outstanding under the Pre-IPO Share Scheme. Further details of the Pre-IPO Share Scheme are set out in the section headed "Statutory and General Information – D. Share Incentive Schemes – 1. Pre-IPO Share Scheme" in Appendix IV to the Prospectus.

Details of the Pre-IPO Awards (as defined in the Prospectus) granted under the Pre-IPO Share Scheme during the Reporting Period are set out below:

Name/Category of the grantee	Outstanding options as at January 1, 2026 Note 1	Options granted during the Reporting Period Note 2	Date of grant	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of outstanding Shares underlying the options granted as at June 30, 2026	Exercise price Note 3	Weighted average closing price of the Shares immediately before the dates on which the options were exercised	Vesting period	Exercise period
Director											
Chen Guosheng	1,309,100	–	July 20, 2023	100,000	–	–	1,209,100	–	*See Note 5*	*See Note 4*	From the date that is six months after the Listing Date (as defined below) to July 19, 2033
Subtotal	1,309,100	–		100,000	–	–	1,209,100				
Five highest paid individuals											
Five highest paid individuals during the Reporting Period in aggregate Note 6	4,103,573	–	July 20, 2023	103,503	–	–	4,000,070	–	*See Note 5*	*See Note 4*	From the date that is six months after the Listing Date to July 19, 2033
Subtotal	4,103,573	–		103,503	–	–	4,000,070				
Other employees of the Group											
Other grantees in aggregate (excluding the five highest paid individuals during the Reporting Period as disclosed above)	7,919,866	–	July 20, 2023	164,929	–	63,700	7,691,237	–	*See Note 5*	*See Note 4*	From the date that is six months after the Listing Date to July 19, 2033
Subtotal	7,919,866	–		164,929	–	63,700	7,691,237				
Total	12,023,439	–		268,432	–	63,700	11,691,307				

Notes:

(1) Representing the number of the underlying Shares corresponding to the share options granted after the Capitalization Issue (as defined in the Prospectus).

(2) As no further options will be granted under the Pre-IPO Share Scheme after October 12, 2023 (the "**Listing Date**"), no options were granted under the Pre-IPO Share Scheme during the Reporting Period. Accordingly, particulars of options granted during the Reporting Period, including (i) the number of such options, (ii) the date of grant, (iii) the vesting period, exercise period, exercise price and performance targets, (iv) the closing price of the Shares immediately before the date on which the options were granted, and (v) the fair value of options at the date of grant and the accounting standard and policy adopted are not available.

(3) To align with the purposes of the Pre-IPO Scheme to remunerate, incentivize, retain, reward, compensate and/or provide benefits to Pre-IPO Eligible Participants, the exercise price of the options under the Pre-IPO Share Scheme has been determined as nil.

(4) The share options granted under the Pre-IPO Share Scheme are to vest in accordance with the following vesting schedule: (a) 10% of the share options are to vest on the first anniversary of the Pre-IPO Scheme Adoption Date (as defined in the Prospectus); (b) 20% of the share options are to vest on the second anniversary of the Pre-IPO Scheme Adoption Date; (c) 30% of the share options are to vest on the third anniversary of the Pre-IPO Scheme Adoption Date; and (d) 40% of the share options are to vest on the fourth anniversary of the Pre-IPO Scheme Adoption Date.

(5) During the Reporting Period, 100,000 options were exercised by executive Director, Mr. Chen Guosheng. Accordingly, the weighted average closing price of the Shares immediately before the date on which such options were exercised during the Reporting Period is HKD12.68.

During the Reporting Period, 103,503 options were exercised by the five highest paid individuals in the Group. Accordingly, the weighted average closing price of the Shares immediately before the date on which such options were exercised during the Reporting Period is HKD12.66.

During the Reporting Period, 164,929 options were exercised by other employees of the Group. The weighted average closing price of the Shares immediately before the relevant dates on which such options were exercised during the Reporting Period is HKD12.38.

(6) One of the five highest paid individuals in the Group during the Reporting Period is Mr. Chen Guosheng, an executive Director. The details regarding the Pre-IPO Award granted to him are disclosed in the above table.

As the Company will not grant further share options and share awards under the Pre-IPO Share Scheme upon or after the Listing Date, the number of options and awards available for grant pursuant to the Pre-IPO Scheme Mandate Limit (as defined in the Prospectus) under the Pre-IPO Share Scheme is nil as of both January 1, 2026 and June 30, 2026.

As of June 30, 2026, (i) an aggregate of 43,350,000 share options and share awards had been granted since the adoption of the Post-IPO Share Scheme (as defined in the Prospectus) and up to June 30, 2026, involving a total of 43,350,000 Post-IPO Award Shares (as defined in the Prospectus), which represent approximately 10.6% of the total Shares in issue (excluding treasury Shares) and, among which, (ii) an aggregate of 36,938,750 Post-IPO Award Shares, representing approximately 9.0% of the total Shares in issue (excluding treasury Shares), remained outstanding under the Post-IPO Share Scheme. Further details of the Post-IPO Share Scheme are set out in the section headed "Statutory and General Information – D. Share Incentive Schemes – 2. Post-IPO Share Scheme" in Appendix IV to the Prospectus.

Details of the Post-IPO Awards (as defined in the Prospectus) granted under the Post-IPO Share Scheme during the Reporting Period are set out below:

Name/Category of the grantees	Unvested awards as at January 1, 2026	Awards granted during the Reporting Period	Date of grant Note 5	Awards vested/ exercised during the Reporting Period Note 6	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested/ unexercised awards as at June 30, 2026	Purchase price Note 1	Closing price/Average price of the Shares on the day immediately before the date of grant of the awards	Fair value of the awards at the date of grant Note 2	Vesting period
Directors, chief executive or substantial shareholders of the Group or their respective associates or family members											
Chen Guosheng	119,350	–	July 3, 2024	–	–	–	119,350	–	6.03	5.88	*See Note 3*
	162,500	–	July 3, 2025	–	–	–	162,500	–	7.978	7.93	*See Note 3*
	–	216,000	January 5, 2026	–	–	–	216,000	12.30	12.2	12.25	*See Note 3*
Ni Boyuan	89,600	–	July 3, 2024	–	–	–	89,600	–	6.03	5.88	*See Note 3*
	177,000	–	July 3, 2025	–	–	–	177,000	–	7.978	7.93	*See Note 3*
	–	216,000	January 5, 2026	–	–	–	216,000	12.30	12.2	12.25	*See Note 3*
Zhou Yi	9,450	–	July 3, 2024	–	–	–	9,450	–	6.03	5.88	*See Notes 3 and 7*
Su Fei	8,400	–	July 3, 2024	–	–	–	8,400	–	6.03	5.88	*See Notes 3 and 7*
	32,500	–	July 3, 2025	–	–	–	32,500	–	7.978	7.93	*See Notes 3 and 7*
	–	24,000	January 5, 2026	–	–	–	24,000	12.30	12.2	12.25	*See Notes 3 and 7*
Su Bo	53,200	–	July 3, 2024	–	–	–	53,200	–	6.03	5.88	*See Notes 3 and 7*
	44,500	–	July 3, 2025	–	–	–	44,500	–	7.978	7.93	*See Notes 3 and 7*
	–	48,000	January 5, 2026	–	–	–	48,000	12.30	12.2	12.25	*See Notes 3 and 7*
Hu Xun	8,400	–	July 3, 2024	–	–	–	8,400	–	6.03	5.88	*See Notes 3 and 7*
	35,500	–	July 3, 2025	–	–	–	35,500	–	7.978	7.93	*See Notes 3 and 7*
	–	24,000	January 5, 2026	–	–	–	24,000	12.30	12.2	12.25	*See Notes 3 and 7*
Fang Ya	53,000	–	July 3, 2025	–	–	–	53,000	–	7.978	7.93	*See Notes 3 and 7*
	–	48,000	January 5, 2026	–	–	–	48,000	12.30	12.2	12.25	*See Notes 3 and 7*
Other directors or general managers of the subsidiaries of the Group and their respective associates	1,052,000	–	July 3, 2025	–	–	–	1,052,000	–	7.978	7.93	*See Note 3*
	–	737,000	January 5, 2026	–	–	–	737,000	12.30	12.2	12.25	*See Note 3*
Subtotal	1,845,400	1,313,000		–	–	–	3,158,400				

Name/Category of the grantees	Unvested awards as at January 1, 2026	Awards granted during the Reporting Period	Date of grant [Note 5]	Awards vested/ exercised during the Reporting Period [Note 6]	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested/ unexercised awards as at June 30, 2026	Purchase price [Note 1]	Closing price/Average price of the Shares on the day immediately before the date of grant of the awards	Fair value of the awards at the date of grant [Note 2]	Vesting period
Five highest paid individuals											
Five highest paid individuals during the Reporting Period in aggregate [Note 4]	401,800	–	July 3, 2024	–	–	–	401,800	–	6.03	5.88	*See Note 3*
	716,500	–	July 3, 2025	–	–	–	716,500	–	7.978	7.93	*See Note 3*
	–	936,000	January 5, 2026	–	–	–	936,000	12.30	12.2	12.25	*See Note 3*
Subtotal	1,118,300	936,000		–	–	–	2,054,300				
Other employees of the Group											
Other grantees in aggregate (excluding the five highest paid individuals during the Reporting Period as disclosed above)	1,641,500	–	July 3, 2024	–	–	58,100	1,583,400	–	6.03	5.88	*See Note 3*
	4,237,000	–	July 3, 2025	–	–	177,000	4,060,000	–	7.978	7.93	*See Note 3*
	–	4,769,500	January 5, 2026	–	–	72,000	4,697,500	12.30	12.2	12.25	*See Note 3*
Subtotal	5,878,500	4,769,500		–	–	307,100	10,340,900				
Service providers to the Group											
Dai Hao	317,000	–	January 20, 2025	317,000	–	–	–	–	6.20	6.01	*See Notes 3 and 7*
	–	400,000	January 5, 2026	–	–	–	400,000	12.30	12.2	12.25	*See Notes 3 and 7*
Cheng Yun	59,500	–	January 20, 2025	59,500	–	–	–	–	6.20	6.01	*See Notes 3 and 7*
	–	178,000	January 5, 2026	–	–	–	178,000	12.30	12.2	12.25	*See Notes 3 and 7*
Lin Pingzai	696,000	–	January 20, 2025	696,000	–	–	–	–	6.20	6.01	*See Note 3*
	–	1,203,500	January 5, 2026	–	–	–	1,203,500	12.30	12.2	12.25	*See Note 3*
Lin Lin	–	1,000,000	January 5, 2026	–	–	–	1,000,000	12.30	12.2	12.25	*See Note 3*
Wang Sulian	–	1,000,000	January 5, 2026	–	–	–	1,000,000	12.30	12.2	12.25	*See Note 3*
Zhang Zhixiong	80,500	–	January 20, 2025	80,500	–	–	–	–	6.20	6.01	*See Note 3*
	–	492,000	January 5, 2026	–	–	–	492,000	12.30	12.2	12.25	*See Note 3*
Other marketing consultants of the Group	3,951,000	–	January 20, 2025	3,951,000	–	–	–	–	6.20	6.01	*See Note 3*
	–	17,609,500	January 5, 2026	–	–	–	17,609,500	12.30	12.2	12.25	*See Note 3*
Subtotal	5,104,000	21,883,000		5,104,000	–	–	21,883,000				
Total	13,664,350	28,685,500		5,104,000	–	307,100	36,938,750				

Notes:

(1) To align with the purposes of the Post-IPO Share Scheme to attract, remunerate, incentivize, retain, reward, compensate and/or provide benefits to Post-IPO Eligible Participants (as defined in the Prospectus), the purchase price of the Post-IPO Share Awards granted under the Post-IPO Share Scheme in 2024 and 2025 has been determined as nil. The Post-IPO Share Awards granted under the Post-IPO Share Scheme in 2026 is HK$12.30.

(2) The fair value of the Post-IPO Share Awards granted during the Reporting Period was calculated based on the market value of the Shares on the date of grant. Details of the fair value of the Post-IPO Share Awards granted during the Reporting Period and the accounting standard and policy adopted in calculation of such fair value will be set out in the interim report of the Company for the six months ended June 30, 2026.

(3) For the 3,212,500 Post-IPO Share Awards granted to 107 eligible participants under the Post-IPO Share Scheme on July 3, 2024, they shall be vested in accordance with the following vesting schedule, subject to the terms and conditions as set out in the letter of grant (including the fulfilment of the performance targets): (a) 30% of the Post-IPO Share Awards granted to the respective grantee have been vested from July 3, 2025; (b) 30% of the Post-IPO Share Awards granted to the respective grantee have been vested from July 3, 2026; and (c) 40% of the Post-IPO Share Awards granted to the respective grantee will be vested from July 3, 2027.

For the 5,104,000 Post-IPO Share Awards granted to 51 eligible participants under the Post-IPO Share Scheme have been vested in full on January 20, 2025 subject to the terms and conditions as set out in the letter of grant (including the fulfilment of the performance targets). The weighted average closing price of the Shares immediately before the relevant dates on which such options were exercised during the Reporting Period is HKD6.20.

For the 6,348,000 Post-IPO Share Options granted to 102 eligible participants under the Post-IPO Share Scheme on July 3, 2025, they shall be vested in accordance with the following vesting schedule, subject to the terms and conditions as set out in the letter of grant (including the fulfilment of the performance targets): (a) 30% of the Post-IPO Share Options granted to the respective Grantee have been vested from July 3, 2026; (b) 30% of the Post-IPO Share Options granted to the respective Grantee will be vested from July 3, 2027; and (c) 40% of the Post-IPO Share Options granted to the respective Grantee will be vested from July 3, 2028.

For the 28,685,500 Post-IPO Share Awards granted to 252 eligible participants under the Post-IPO Share Scheme on January 5, 2026, they shall be vested in accordance with the following vesting schedule, subject to the terms and conditions as set out in the letter of grant (including the fulfilment of the performance targets): (a) 30% of the Post-IPO Share Awards granted to the respective grantee will be vested from January 5, 2027; (b) 30% of the Post-IPO Share Awards granted to the respective grantee will be vested from January 5, 2028; and (c) 40% of the Post-IPO Share Awards granted to the respective grantee will be vested from January 5, 2029.

All Post-IPO Award Shares granted in 2024 and 2025 was and will be satisfied by existing shares of the Company and does not involve issue of new shares of the Company.

For the Post-IPO Award Shares granted to the Employee Participants (as defined in the Prospectus) in 2026 will be satisfied by allotment and issuance of new Shares by the Company to the trust(s) of the Post-IPO Share Scheme (the "**Trustee**") in accordance with the terms of the Post-IPO Share Scheme. For the Post-IPO Award Shares granted to Service Providers (as defined in the Prospectus) in 2026 shall first be satisfied by allotment and issuance of new Shares by the Company to the trust(s) of the Post-IPO Share Scheme in accordance with the terms of the Post-IPO Share Scheme, and the remaining portion will be satisfied by acquisition of existing Shares by the Trustee pursuant to the Post-IPO Share Scheme.

(4) The five highest paid individuals in the Group for the six months ended June 30, 2026 include Mr. Chen Guosheng, an executive Director. The details regarding the Post-IPO Award granted to him are disclosed in the above table.

(5) 3,212,500 Post-IPO Share Awards were granted to Directors, chief executive, substantial shareholder of the Company and their respective associates (as defined under the Listing Rules), directors, legal representatives and/or general managers of the subsidiaries of the Group and their respective associates (the "**Subsidiaries Connected Grantees**") and other employees of the Group. Further details are set out in the announcement of the Company dated July 3, 2024.

6,348,000 Post-IPO Share Awards granted to Directors, chief executive, substantial shareholder of the Company and their respective associates (as defined under the Listing Rules), Subsidiaries Connected Grantees and other employees of the Group. Further details are set out in the announcement of the Company dated July 3, 2025.

5,104,000 Post-IPO Share Awards were granted to Post-IPO Service Provider Participants (as defined in the Prospectus) under the Post-IPO Share Scheme. Further details are set out in the announcement of the Company dated January 20, 2025.

21,883,000 Post-IPO Share Awards were granted to Post-IPO Service Provider Participants (as defined in the Prospectus) under the Post-IPO Share Scheme. Further details are set out in the announcement of the Company dated January 5, 2026.

(6) The vesting of the 3,212,500 Post-IPO Share Awards granted to 107 eligible participants on July 3, 2024 shall be conditional upon the performance results of the individual grantee achieving the respective performance targets in the year preceding the vesting date of the Post-IPO Share Awards.

The vesting of the 5,104,000 Post-IPO Share Awards granted to 51 eligible participants on January 20, 2025 shall be conditional upon the performance results of the individual grantee achieving the respective performance targets in 2025.

The vesting of the 6,348,000 Post-IPO Share Options granted to 102 eligible participants on July 3, 2025 shall be conditional upon the performance results of the individual grantee achieving the respective performance targets in the year preceding the vesting date of the Post-IPO Share Options.

The vesting of the 28,685,500 Post-IPO Share Awards granted to 252 eligible participants on January 5, 2026 shall be conditional upon the performance results of the individual grantee achieving the respective performance targets in the year preceding the vesting date of the Post-IPO Share Awards.

(7) Zhou Yi is cousin of Mr. Ni. Su Fei, Su Bo, Fang Ya, Dai Hao and Cheng Yun are cousins of Ms. Hu Jihong. Hu Xun is sister of Ms. Hu Jihong.

As of January 1, 2026, the Post-IPO Scheme Mandate Limit (as defined in the Prospectus) was 42,666,700 Shares and the Post-IPO Service Provider Sublimit (as defined in the Prospectus) was 4,266,670 Shares, representing approximately 10.43% and 1.04% of the total number of Shares in issue (excluding treasury Shares) as of the date of this announcement respectively.

During the Reporting Period, the total number of 28,685,500 share awards, involving a total of 28,685,500 Post-IPO Award Shares, which represent approximately 7.01% of the total number of Shares in issue (excluding treasury Shares) as of June 30, 2026. No new Post-IPO Awards were granted after the end of the Reporting Period and up to the date of this announcement.

As of June 30, 2026 and as of the date of this announcement, 31,597,530 underlying Shares will be available for future grants under the Post-IPO Scheme Limit, and no underlying Shares will be available for future grants under the Post-IPO Service Provider Sublimit.

The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue (excluding treasury Shares) for the Reporting Period is calculated by 28,685,500 divided by 410,159,392 is 6.99%.

Further details of the principal terms of the Post-IPO Share Scheme are set out in the section headed "Statutory and General Information – D. Share Incentive Schemes – 2. Post-IPO Share Scheme" in Appendix IV to the Prospectus.

Contingent Liabilities

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

Pledge of Assets

As of June 30, 2026, the property, plant and equipment and right-of-use assets of the Group with net book values of RMB372.4 million and RMB107.1 million (as of December 31, 2025: RMB504.7 million and RMB124.4 million) respectively were pledged as collateral for the Group's borrowings.

As of June 30, 2026, certificate of deposits of the Group in the amount of RMB791.1 million (as of December 31, 2025: RMB761.3 million) were pledged as security for the Group's notes payable.

As of June 30, 2026, 100% (as of December 31, 2025: 100%) of the Group's equity interest in Guangxi Luyuan Electric Vehicle Co., Ltd., a wholly-owned subsidiary of the Company, and certain patents of the Group were pledged as security for the Group's bank borrowings.

Save as disclosed above, the Group had no other pledged assets as of June 30, 2026.

Significant Investment, Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

As of June 30, 2026, the Group did not hold any significant investment, including but not limited to, any investment in an investee company with a value of 5% or more of the issuer's total assets as at June 30, 2026. The Group did not conduct any material acquisition or disposal of any subsidiaries, associates and joint ventures during the Reporting Period. In addition, save for the expansion plans as disclosed in the sections headed "Business" in the Prospectus, during the Reporting Period, there was no specific plan authorized by the Board for other material investments or acquisition of capital assets. However, the Group will continue to identify new opportunities for business development.

ROUNDING

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

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

During the Reporting Period, the Company repurchased a total of 960,000 shares of the Company on the Stock Exchange at the aggregate consideration of approximately HKD11.7 million. All such repurchased Shares were held by the Company as treasury Shares. The Board believes that the repurchase of Shares was conducted to demonstrate the Company's confidence in its business outlook and long-term development and would create value for the Shareholders as a whole and the benefit the Company in the long run.

The table below sets forth a monthly breakdown of the Company's repurchases of the Shares during the Reporting Period:

Month of repurchase during the Reporting Period	**Number of Shares purchased**	**Highest price paid per Share** *HKD*	**Lowest price paid per Share** *HKD*	**Aggregate price paid** *HKD*
June	960,000	12.8	11.66	11,748,480
Total	**960,000**			**11,748,480**

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any other listed securities (including sale of treasury shares) of the Company during the Reporting Period. As of June 30, 2026, the Company held 17,457,000 treasury Shares. Subject to compliance with the Listing Rules, the Company may consider applying such treasury Shares for resale, consideration of future acquisitions, or funding existing share schemes of the Company.

CHANGE IN DIRECTOR'S INFORMATION

Changes in Director's biographical details during the Reporting Period, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out as follows:

Name of Directors	Details of Changes
Mr. Ni Jie ("**Mr. Ni**")	Mr. Ni was appointed as an external director of Jinhua State Owned Capital Operation Co., Ltd.* (金華市國有資本運營有限公司) since April 3, 2026.
Mr. Chan Chi Fung Leo ("**Mr. Chan**")	Mr. Chan resigned as an independent non-executive director of Ziyuanyuan Holdings Group Limited, a listed company on the Stock Exchange (stock code: 8223) on June 12, 2026. Mr. Chan was appointed as an independent non-executive director of Prinx Chengshan Holdings Limited, a listed company on the Stock Exchange (stock code: 1809) since March 2026 and Red Avenue New Materials Group Co., Ltd., a listed company on the Shanghai stock exchange (stock code: 603650) since June 2026.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed below, as at the date of this announcement, the Group has no other material events that have occurred after June 30, 2026 which may have a material impact on the Group's operations and financial performance.

In early July 2026, the Group's production base in Guigang, Guangxi, was affected by regional flooding and sustained temporary water damage, which is expected to have a temporary impact on production at that base for the third quarter of this year. The Group promptly activated its contingency plan and flexibly reallocated certain production orders to its other production bases (including those in Zhejiang, Shandong and Chongqing) to minimise the impact on customer deliveries.

The Group has taken out property insurance for its Guangxi production base. As at the date of this announcement, the detailed assessment of asset losses, the affected financial figures and the recoverable ratio of insurance claims are still being finalised with the insurance company and cannot be reliably estimated at this stage. The aforementioned event constitutes a subsequent event and has no impact on the Group's unaudited financial results for the six months ended June 30, 2026.

NO MATERIAL CHANGE

Since the publication of the Group's annual report for the year ended December 31, 2025 on April 23, 2026, there has been no material change to the Group's business.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company has applied the principles as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Listing Rules and has also adopted certain recommended best practices as set out in the CG Code.

The Company has fully complied with the code provisions set out in the CG Code during the Reporting Period. For the purposes of complying with the CG Code and maintaining a high standard of corporate governance of the Company, the Board will continue to review and monitor the corporate governance status of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the Group's code of conduct regarding the Directors' securities transactions. Having made specific enquiry of all the Directors, all the Directors confirmed that they have strictly complied with the Model Code throughout the Reporting Period.

The Board has also established written guidelines on terms no less exacting than the Model Code (the "**Guidelines**") for securities transactions by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of the CG Code. No incident of non-compliance with the Guidelines by the Company's relevant employees has been noted during the Reporting Period after making reasonable enquiry.

INTERIM DIVIDEND

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

AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

As of the date of this announcement, the audit committee of the Company (the "**Audit Committee**") comprises three independent non-executive Directors, namely Mr. Wu Xiaoya, Mr. Liu Bobin and Mr. Peng Haitao. Mr. Wu Xiaoya is the chairman of the Audit Committee who possesses appropriate professional qualifications as required by Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee and the Company's management have reviewed unaudited interim results of the Group for the six months ended June 30, 2026 and the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://www.luyuan.cn/). The interim report of the Company for the six months ended June 30, 2026 containing all the information required by the Listing Rules will be made available for review on the same websites in due course.

By order of the Board
Luyuan Group Holding (Cayman) Limited
Mr. Ni Jie
Chairman and Executive Director

Hong Kong, August 26, 2026

As of the date of this announcement, the Board comprises Mr. Ni Jie, Ms. Hu Jihong, Mr. Chen Guosheng and Ms. Ni Boyuan as executive Directors; and Mr. Wu Xiaoya, Mr. Peng Haitao, Mr. Liu Bobin and Mr. Chan Chi Fung Leo as independent non-executive Directors.

* *for identification purpose only*