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理士電池
Leoch Battery

Leoch International Technology Limited
理士國際技術有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 842)

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

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	
	(Unaudited)	(Unaudited and restated)	
	RMB million	*RMB million*	**Changes**
Turnover	**6,952.1**	8,438.4	**-17.6%**
Gross profit	**1,023.9**	864.4	**+18.5%**
Profit for the Period	**112.9**	80.0	**+41.2%**
Profit attributable to owners of the parent	**137.9**	104.2	**+32.3%**
Basic earnings per share (RMB)	**0.10**	0.07	
Proposed interim dividend per share (HK cents)	**1.8**	Nil	

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Leoch International Technology Limited (the "**Company**") is pleased to announce the condensed consolidated interim results of the Company and its subsidiaries (together the "**Group**") for the six months ended 30 June 2026 (the "**Period**") with comparative figures for the corresponding period in the year 2025. The interim condensed consolidated financial information have been reviewed by the auditor of the Company, Ernst & Young, and the audit committee of the Company (the "**Audit Committee**").

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	**2026** **(Unaudited)** ***RMB'000***	2025 (Unaudited and restated) *RMB'000*
REVENUE	*4*	**6,952,068**	8,438,364
Cost of sales		**(5,928,156)**	(7,574,010)
Gross profit		**1,023,912**	864,354
Other income and gains	*4*	**74,339**	139,446
Selling and distribution expenses		**(252,882)**	(305,674)
Administrative expenses		**(253,618)**	(267,924)
Research and development costs		**(175,275)**	(150,138)
Reversal of impairment/(impairment losses) of financial assets, net		**6,169**	(26,304)
Other expenses	*6*	**(138,792)**	(4,292)
Fair value gains on financial instruments measured at fair value through profit or loss, net		**18,755**	32,481
Finance costs	*7*	**(125,497)**	(153,745)
PROFIT BEFORE TAX	*5*	**177,111**	128,204
Income tax expense	*8*	**(64,206)**	(48,254)
PROFIT FOR THE PERIOD		**112,905**	79,950

	Notes	**2026** **(Unaudited)** ***RMB'000***	2025 (Unaudited and restated) *RMB'000*
Attributable to:			
Owners of the parent		**137,858**	104,209
Non-controlling interests		**(24,953)**	(24,259)
		112,905	79,950
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
Basic		**RMB0.10**	RMB0.07
Diluted		**RMB0.10**	RMB0.07

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	2026	2025
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
PROFIT FOR THE PERIOD	**112,905**	79,950
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	**1,116**	400
Income tax effect	**(279)**	(100)
	837	300
Exchange differences on translation of foreign operations	**(35,764)**	(965)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(34,927)**	(665)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences arising on translation of functional currency to presentation currency	**41,313**	26,306
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(13)**	(256)
Income tax effect	**3**	64
	(10)	(192)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**41,303**	26,114
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**6,376**	25,449
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**119,281**	105,399
Attributable to:		
Owners of the parent	**144,540**	129,691
Non-controlling interests	**(25,259)**	(24,292)
	119,281	105,399

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	**30 June 2026 (Unaudited) *RMB'000***	31 December 2025 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**3,926,314**	2,470,297
Investment property		**520,542**	526,419
Right-of-use assets		**575,953**	378,650
Goodwill		**3,711**	1,345
Other intangible assets		**941,351**	857,151
Equity investments designated at fair value through other comprehensive income		**2,900**	2,912
Financial assets at fair value through profit or loss		**360,254**	300,873
Deposits paid for purchase of items of property, plant and equipment		**59,239**	39,282
Deferred tax assets		**92,249**	65,693
Total non-current assets		**6,482,513**	4,642,622
CURRENT ASSETS			
Inventories	*12*	**3,188,019**	2,058,398
Trade receivables	*13*	**3,685,835**	2,446,873
Debt investments at fair value through other comprehensive income		**161,253**	156,214
Prepayments, other receivables and other assets		**730,423**	399,519
Financial assets at fair value through profit or loss		**25,929**	37,675
Pledged deposits	*14*	**663,588**	537,069
Cash and cash equivalents	*14*	**720,043**	658,179
Assets of a disposal group classified as held for distribution to owners		**–**	4,586,460
Total current assets		**9,175,090**	10,880,387

	Notes	**30 June 2026 (Unaudited) *RMB'000***	31 December 2025 (Audited) *RMB'000*
CURRENT LIABILITIES			
Trade and bills payables	*15*	**3,711,753**	2,855,679
Other payables and accruals		**1,289,993**	1,085,290
Lease liabilities		**32,945**	847
Financial liabilities at fair value through profit or loss		**7,431**	7,431
Interest-bearing bank borrowings	*16*	**3,629,447**	4,401,002
Income tax payable		**330,034**	112,819
Liabilities directly associated with the assets classified as held for distribution to owners		**–**	1,226,530
Total current liabilities		**9,001,603**	9,689,598
NET CURRENT ASSETS		**173,487**	1,190,789
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,656,000**	5,833,411
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	*16*	**1,332,883**	739,953
Pillar Two tax liabilities		**–**	3,274
Deferred tax liabilities		**110,086**	97,815
Deferred government grants		**139,413**	148,328
Lease liabilities		**116,986**	1,662
Total non-current liabilities		**1,699,368**	991,032
Net assets		**4,956,632**	4,842,379
EQUITY			
Equity attributable to owners of the parent			
Share capital		**123,968**	123,571
Shares repurchased, not cancelled		**(7,162)**	–
Reserves		**4,460,928**	4,313,564
		4,577,734	4,437,135
Non-controlling interests		**378,898**	405,244
Total equity		**4,956,632**	4,842,379

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 27 April 2010 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 16 November 2010. The registered office of the Company is located at the office of Conyers Trust Company (Cayman) Limited, at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Group is principally engaged in power solutions business and the recycled lead business.

In the opinion of the directors of the Company (the "**Directors**"), the immediate holding company and the ultimate holding company is Master Alliance Investment Limited, a company incorporated in the British Virgin Islands and wholly owned by Dr. Dong Li.

During the year ended 31 December 2025, the Company's Board of Directors recommended a distribution in specie of shares of Leoch Energy Inc. and its subsidiaries (the "**LEI Group**") held directly by the Company ("**Proposed Distribution**"), conditional upon the passing of an ordinary resolution by the shareholders of the Company and the approval by the relevant U.S. authorities, as well as market conditions and other relevant considerations. Such ordinary resolution was passed in shareholders meeting on 7 January 2026. The consolidated assets and liabilities of LEI Group were classified as held for distribution to owners as at 31 December 2025 and the consolidated results of LEI Group for the year ended 31 December 2025 were presented in the consolidated financial statements as discontinued operations in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. The consolidated statement of profit or loss distinguished the discontinued operations from the continuing operations.

During the six months ended 30 June 2026, management reassessed and concluded that the Proposed Distribution is not highly probable. The Group ceased the classification of the LEI Group as held for distribution to owners.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange and International Accounting Standards ("**IAS**") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (the "**IASB**").

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(i) New and amended IFRSs

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended International Financial Reporting Standards ("**IFRS**") for the first time for the current period's financial information

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

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

(a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

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

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

(ii) Change in the measurement of investment properties ("Change in Measurement of IP"):

In the preparation of consolidated financial statements for the year ended 31 December 2025, the Group changed its accounting policy with respect to the measurement of investment properties. Prior to this change in policy, the Group applied the cost model, under which investment properties were stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. The Group now applies the fair value model, under which investment properties are stated at fair value and recognises the fair value changes to profit or loss in which they arise.

Accordingly, the comparative figures presented in the condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of changes in equity of the Group for the six months ended 30 June 2025 have been restated.

The effects of the change in the Group's accounting policy described above on the results for the preceding period by line items presented in the condensed consolidated statement of profit or loss are as follows:

	Increase/ (Decrease) For the six months ended 30 June 2025 *RMB$'000*
Change in fair value of investment properties	**2,579**
Other expenses	**(9,084)**
Income tax expense	**1,195**
Net impact for the year	**10,468**
Earnings per share	
Basic and diluted (RMB)	**0.01**

The adjustment has been applied as of the beginning of the earliest period presented and has been consistently applied throughout all relevant prior periods. The cumulative effect of the adjustment is reflected in the opening balances of equity for the earliest period presented. The Change in Measurement of IP did not have any material impact on the consolidated statement of cash flows for the six months ended 30 June 2025.

3. OPERATING SEGMENT INFORMATION

The Group is engaged in power solutions business and the recycled lead business.

International Financial Reporting Standard 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("**CODM**") in order to allocate resources to segments and to assess their performance. The information reported to the executive directors of the Company, who is the Group's CODM for the purpose of resource allocation and assessment of performance, does not contain profit or loss information of each product line and the CODM reviewed the gross profit of the Group as a whole reported under International Financial Reporting Standards. Therefore, the operation of the Group constitutes one reportable segment. Accordingly, no segment information is presented.

No segment assets and liabilities, and related other segment information were presented as no such discrete financial information is provided to the CODM.

Information about products

An analysis of revenue by products is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Power solutions business	**6,732,110**	7,348,891
Recycled lead business	**219,958**	1,089,473
Total segment revenue	**6,952,068**	8,438,364

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Chinese mainland*	**3,611,588**	4,764,820
Europe, the Middle East and Africa	**1,534,698**	1,534,671
Americas	**1,174,928**	1,412,437
Asia-Pacific (other than Chinese mainland)	**630,854**	726,436
Total	**6,952,068**	8,438,364

* *Chinese mainland means any part of the People's Republic of China excluding Hong Kong, Macau and Taiwan.*

The revenue information above is based on the locations of the customers. All of the revenue is from sales of goods, which is recognised when the goods are transferred at a point in time.

(b) Non-current assets

	30 June	31 December
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Chinese mainland	**4,319,124**	4,259,098
Other countries/areas	**1,707,986**	14,046
Total segment non-current assets	**6,027,110**	4,273,144

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

No revenue from sales to any customer amounted to 10% or more of the Group's total revenue for the six months ended 30 June 2026 (30 June 2025: none).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers	**6,952,068**	8,438,364

Disaggregated revenue information

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Type of goods		
Sale of industrial products	**6,952,068**	8,438,364
Timing of revenue recognition		
Goods transferred at a point in time	**6,952,068**	8,438,364

An analysis of other income and gains is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Other income and gains		
Foreign exchange gain, net	**–**	50,927
Government grants*	**33,533**	47,294
Bank interest income	**5,529**	6,659
Dividend income from financial assets at fair value through profit or loss	**9,665**	–
Rental income	**18,554**	14,699
Sale of scrap materials	**2,213**	11,379
Others	**4,845**	8,488
Total	**74,339**	139,446

* *The government grants represent various cash payments and subsidies provided by the local government authorities to the Group as an encouragement to its investment and technological innovation.*

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Cost of inventories sold	**5,025,234**	6,608,079
Write-down of inventories to net realisable value*	**6,617**	9,569
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	**720,683**	782,993
Pension scheme contributions	**51,225**	52,933
	771,908	835,926
Amortisation of other intangible assets except for deferred development costs	**10,092**	14,833
Research and development costs:		
Deferred development costs amortised*	**133,501**	127,149
Current period expenditure	**175,275**	150,138
	308,776	277,287
Fair value losses/(gains) from financial liabilities at fair value through profit or loss, net	**37**	(246)
Fair value gains from financial assets at fair value through profit or loss, net	**(29,779)**	(29,656)
Changes in fair value of investment properties	**10,987**	(2,579)
Depreciation of property, plant and equipment	**171,007**	236,169
Depreciation of right-of-use assets	**23,342**	20,645
(Reversal of impairment)/impairment losses of financial assets, net	**(6,169)**	26,304
Loss on disposal of items of property, plant and equipment, net	**171**	3,270
Foreign exchange losses/(gain), net	**122,956**	(50,927)
Lease payment not included in the measurement of lease liabilities	**22,672**	19,310

* *The amortisation of deferred development costs and write-down of inventories to net realisable value are included in "Cost of sales" in the interim condensed consolidated statement of profit or loss.*

6. OTHER EXPENSES

An analysis of other expenses is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Loss on disposal of items of property, plant and equipment	**171**	3,270
Foreign exchange losses, net	**122,956**	-
Others	**15,665**	1,022
Total	**138,792**	4,292

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest on bank loans (including convertible bonds)	**106,745**	135,108
Interest arising from discounted bills	**14,953**	15,555
Interest on lease liabilities	**3,799**	3,082
Total	**125,497**	153,745

8. INCOME TAX

The Group calculates the income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Current	**60,177**	82,167
Deferred	**4,029**	(33,913)
Total tax charged for the period	**64,206**	48,254

The Group is in the process of assessing the potential exposure arising from Pillar Two legislation based on the information available for the six months ended 30 June 2026. Based on the assessment carried out so far, the Group has identified potential exposure to Pillar Two income taxes in Vietnam and Cayman Islands where the Pillar Two effective tax rates are likely to be lower than 15%. However, exposure may also exist in other jurisdictions where the assessment is in progress. In these jurisdictions the Group is considering the safe harbour provisions that may limit the potential exposure. Quantitative information to indicate potential exposure to Pillar Two income taxes is currently not known or reasonably estimable. The Group continues to progress the assessment and expects to complete the assessment in the second half of financial year 2026.

9. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Proposed interim – HK1.8 cents (2025: nil) per ordinary share	**22,550**	–

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

The calculation of basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,441,696,468 (six months ended 30 June 2025: 1,401,693,595) outstanding during the period, as adjusted to reflect the rights issue during the period.

The calculation of diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculations	**137,858**	104,209
Interest on convertible bonds	**–**	6,183
Profit attributable to ordinary equity holders of the parent used in the diluted earnings per share calculations	**137,858**	110,392

	Number of shares Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculations	**1,441,696,468**	1,401,693,595
Effect of dilution – weighted average number of ordinary shares:		
Share options	**2,728,473**	17,310,685
Convertible bonds	**–**	60,000,000
Total	**1,444,424,941****	1,479,004,280*

* *Because the diluted earnings per share amount is increased when taking the convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic earnings per share for the six months ended 30 June 2025, and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share amounts are based on the profit for the period of RMB104,209,000, and the weighted average number of ordinary shares of 1,419,004,280 in issue outstanding during the period.*

** *The weighted average number of shares was after taking into account the effect of shares repurchased but not cancelled.*

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets at a cost of RMB354,820,000 (30 June 2025: RMB461,772,000).

Assets with a net book value of RMB30,570,000 were disposed of by the Group during the six months ended 30 June 2026 (30 June 2025: RMB16,868,000), resulting in a net loss on disposal of RMB171,000 (30 June 2025: RMB3,270,000).

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

12. INVENTORIES

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Raw materials	**893,926**	636,351
Work in progress	**1,510,121**	1,083,646
Finished goods	**783,972**	338,401
Total	**3,188,019**	2,058,398

At 30 June 2026, inventories with the amount of RMB79,500,000 were pledged to secure general banking facilities granted to the Group (31 December 2025: RMB74,500,000.00) (note 16(f)).

13. TRADE RECEIVABLES

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Trade receivables	**3,844,378**	2,560,782
Less: Impairment provision	**(158,543)**	(113,909)
Total	**3,685,835**	2,446,873

The Group grants different credit periods to customers. The credit period of individual customers is considered on a case-by-case basis. Certain customers are required to make partial payment before or upon delivery. The Group seeks to maintain strict control over its outstanding receivables and closely monitors them to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables of RMB1,235,972,000 (31 December 2025: RMB1,324,991,000) were under short term credit insurance and RMB40,931,000 (31 December 2025: RMB24,112,000) were under letters of credit. Trade receivables are non-interest-bearing.

As at 30 June 2026, the Group had pledged certain trade receivables amounting to RMB742,798,000 (31 December 2025: RMB472,998,000) to banks with recourse in exchange for cash. The proceeds from pledging the trade receivables of RMB698,406,000 (31 December 2025: RMB147,451,000) were accounted for as collateralised bank advances until the trade receivables were collected or the Group made good of any losses incurred by the banks (note 16(d)).

An ageing analysis of the trade receivables as at 30 June 2026 and 31 December 2025 based on the invoice date and net of provisions, is as follows:

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Within 3 months	**2,601,130**	1,879,591
3 to 6 months	**659,129**	377,038
6 to 12 months	**301,152**	121,870
1 to 2 years	**85,573**	41,429
Over 2 years	**38,851**	26,945
Total	**3,685,835**	2,446,873

14. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Cash and bank balances	**720,043**	658,179
Time deposits	**663,588**	537,069
Subtotal	**1,383,631**	1,195,248
Less: Pledged for interest-bearing bank borrowings *(note 16e)*	**(3,050)**	(3,533)
Pledged for bills payable *(note 15)*	**(319,125)**	(285,520)
Pledged for letters of credit	**(341,413)**	(248,016)
Subtotal	**(663,588)**	(537,069)
Cash and cash equivalents	**720,043**	658,179
Denominated in RMB	**1,136,599**	1,111,739
Denominated in US$	**128,317**	47,977
Denominated in HK$	**17,690**	34,363
Denominated in Euro ("**EUR**")	**20,169**	852
Denominated in Indian Rupee	**22,486**	–
Others	**58,370**	317
Total	**1,383,631**	1,195,248

15. TRADE AND BILLS PAYABLES

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Trade payables	**1,922,238**	1,597,659
Bills payable	**1,789,515**	1,258,020
Total	**3,711,753**	2,855,679

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

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Within 3 months	**2,267,222**	1,462,847
3 to 6 months	**815,795**	574,293
6 to 12 months	**583,019**	760,815
1 to 2 years	**35,284**	45,559
2 to 3 years	**4,864**	9,794
Over 3 years	**5,569**	2,371
Total	**3,711,753**	2,855,679

The trade payables are non-interest-bearing and are normally settled on 90-day terms. All the bills payable bear maturity dates within 365 days. As at 30 June 2026, bills payable amounting to RMB1,008,163,000 (31 December 2025: RMB860,159,000) were issued on intercompany sales transactions within Group companies and such bills were discounted to banks for short term financing.

As at 30 June 2026, certain bills payable of the Group were secured by pledging of certain time deposits of the Group amounting to RMB319,125,000 (31 December 2025: RMB285,520,000).

16. INTEREST-BEARING BANK BORROWINGS

	30 June 2026 (unaudited)			31 December 2025 (audited)		
	Effective interest rate *(%)*	**Maturity**	***RMB'000***	Effective interest rate *(%)*	Maturity	*RMB'000*
Current						
Interest-bearing bank borrowings, secured (i)	**2.41 to 5.10**	**2027**	**532,311**	2.60 to 7.98	2026	1,232,634
Collateralised bank advances, secured (i)	**1.78 to 2.09** **2.41 to 5.10**	**2027**	**698,406**	1.97 to 2.70 2.50 to 7.05	2026	147,451
Interest-bearing bank borrowings, secured (ii)	**LPR + Applicable margin**	**2027**	**2,346,730**	LPR + Applicable margin	2026	2,728,350
Interest-bearing bank borrowings, unsecured	**2.60 to 2.79**	**2027**	**52,000**	2.50 to 3.90	2026	142,567
Long term interest-bearing bank borrowings classified as current, secured (ii)(iii)			**–**	LPR + Applicable margin	2027-2028	150,000
Total – current			**3,629,447**			4,401,002
Non-current						
Interest-bearing bank borrowings, secured (i)	**2.20 to 3.40** **LPR + Applicable margin**	**2027-2038**	**745,733**	2.26 to 5.40	2027-2038	515,026
Interest-bearing bank borrowings, secured (ii)	**2.95 to 8.25** **LPR + Applicable margin**	**2027-2028**	**587,150**	2.95 to 8.25	2027-2028	224,927
Total – non-current			**1,332,883**			739,953
Total			**4,962,330**			5,140,955

Analysed into:

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Bank loans and advances repayable:		
Within one year	**3,629,447**	4,401,002
In the second year	**532,265**	196,720
In the third to fifth years, inclusive	**269,885**	66,183
Beyond five years	**530,733**	477,050
Total	**4,962,330**	5,140,955

The Group's bank borrowings are secured by the following pledges or guarantees:

(i) Certain of the Group's bank loans are secured by:

  (a) certain property, plant and equipment of the Group with carrying amount of approximately RMB215,753,000 (31 December 2025: RMB183,004,000) as at the end of the reporting period.

  (b) certain investment properties of the Group with carrying amount of approximately RMB520,229,000 (31 December 2025: RMB526,106,000) as at the end of the reporting period.

  (c) certain leasehold lands of the Group with carrying amount of approximately RMB98,676,000 (31 December 2025: RMB99,425,000) as at the end of the reporting period.

  (d) the pledge of certain trade receivables of the Group with carrying amount of approximately RMB742,798,000 (31 December 2025: RMB472,998,000) as at the end of the reporting period (note 13).

  (e) the pledge of certain time deposits of the Group amounting to approximately RMB3,050,000 (31 December 2025: RMB3,533,000) as at the end of the reporting period (note 14).

  (f) certain inventories of the Group with carrying amount of approximately RMB79,500,000 (31 December 2025: RMB74,500,000) (note 12).

(ii) The Company and its principal subsidiaries have guaranteed certain of bank borrowings.

(iii) On 27 May 2025, a syndicated loan agreement (the "**New Facility Agreement**") comprising an A-term revolving facility and a B-term loan facility with an aggregate amount of RMB600,000,000 was signed by certain of the Group's wholly owned subsidiaries, with a syndicate of lenders. Loans with an amount of RMB150,000,000 was drawn under B-term loan facility. Per the agreement, Dr. Dong Li, the Group's controlling shareholder must continue to exercise effective control and retain director indirect ownership of at least 51% of the Company. Because of the net losses position of the Group for the year ended 31 December 2025, which resulted to few loan covenants being not met under the New Facility Agreement, loans with an amount of RMB150.000,000 was classified as current bank borrowings as at 31 December 2025.

  During the six months period ended 30 June 2026, the syndicate of lenders confirmed that they do not intend to demand immediate repayment of the relevant borrowings and have agreed to continue extending the facilities to the Group. Consequently, the portion of long-term borrowings was no longer classified as current liabilities as at 30 June 2026. Accordingly, the outstanding amount of RMB137,600,000 has been classified as non-current liabilities as at 30 June 2026.

17. COMMITMENTS

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

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Land and buildings	**75,964**	75,982
Capital contribution for financial assets at fair value through profit or loss	**–**	2,500
Total	**75,964**	78,482

18. EVENTS AFTER THE REPORTING PERIOD

The Company further repurchased 2,025,000 shares in July 2026. A total of 9,314,000 repurchased shares were cancelled in July 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2026, the global economy, propelled by both geopolitical conflicts and the robust development in the artificial intelligence industry, exhibited notable “K-shaped divergence” characteristics. Following multiple rounds of significant adjustments to the U.S. tariff policies, the overall operating environment exhibited “low growth and high uncertainty”. The outbreak of the U.S.-Israel-Iran military conflict in late February 2026 led to a temporary blockade of the Strait of Hormuz, disrupting global oil supplies. Brent crude prices rose by approximately 30% compared to pre-conflict levels, and the surge in energy prices interrupted the inflation downward trend over the past year. This also resulted in disruptions to international transportation and extended delivery cycles for international trade orders. At the same time, the artificial intelligence industry continued its rapid growth, serving as a key engine for economic expansion. Both globally and in China, data center construction enjoyed a high-growth phase driven by computing power demand, with significant progress seen across policy, technology, and industrial fronts. The RMB against the US dollar exhibited a two-way fluctuation with an overall stable and slightly strengthening trend. Since the beginning of the year, the spot exchange rate of the RMB against the US dollar has appreciated by nearly 3.5%. Against a backdrop where multiple structural variables continue to influence the pace of economic activities, the Group’s power business recorded a revenue of RMB6,732.1 million during the Period, representing a decrease of 8.4% over the RMB7,348.9 million recorded for the corresponding period of last year. The Group’s recycled lead business recorded a revenue of RMB220.0 million during the Period, representing a decrease of RMB869.5 million over the RMB1,089.5 million recorded for the corresponding period of last year.

By Product Lines

Network Power Battery

The network power battery business accounted for 46.3% of the total sales of the Group during the Period, and recorded a sales revenue of RMB3,223.0 million during the Period (six months ended 30 June 2025: RMB3,428.8 million), representing a year-on-year decrease of 6.0%. The slight decline in revenue was the result of the Company's proactive decision to phase out low-margin products, and revenue from core products and their market share both experienced slight increases. As the product mix adjustment continues to advance, both revenue and profit levels are expected to achieve year-on-year improvement in the second half of the year. The Group still maintains a solid presence in the data center and the network power battery market, offering high-quality lead-acid and lithium-ion batteries tailored for critical power backup applications. Looking ahead, the demand for batteries used in data centers, communication backup power, UPS and other scenarios, as well as industrial and commercial energy storage supporting scenarios is expected to continue to grow.

SLI Battery

The sales revenue of the SLI battery business accounted for 40.4% of the total sales of the Group during the Period, and recorded a sales revenue of RMB2,806.1 million during the Period (six months ended 30 June 2025: RMB3,115.3 million), representing a year-on-year decrease of 9.9%. This slight drop was primarily attributable to logistics disruptions caused by the U.S.-Iran conflict in the Middle East, which delayed customer order deliveries and dampened customers' willingness to place orders. Looking ahead, the Group continues to maintain its competitive advantages in lead-acid battery and lithium battery system technologies. Structural opportunities within the industry remain clear, and high-end start-stop batteries and auxiliary batteries for new energy vehicles represent a significant emerging growth direction. The substantial existing base of fuel vehicles still exists, and replacement demand for commercial vehicle starter batteries continues to demonstrate strong resilience.

Motive Power Battery

The motive battery business accounted for 7.5% of the total sales of the Group during the Period, and its sales revenue amounted to RMB518.1 million during the Period (six months ended 30 June 2025: RMB621.8 million), representing a year-on-year decline of 16.7%. This decline was mainly due to the impact of the transition from lead-acid to lithium batteries for OEM factory-fit batteries, leading to an overall market decline. The lithium battery products launched by the Group will offer both lead-acid and lithium battery options, providing customers with greater flexibility to meet different application needs.

Recycled Lead Business

The sales revenue from the recycled lead business amounted to RMB220.0 million during the Period (six months ended 30 June 2025: RMB1,089.5 million), representing a decrease of 79.8%. The main reason is that, having considered the profit model of the recycled lead industry, and in light of tightening raw materials supply from used lead-acid batteries and fluctuations in lead prices, the Company proactively optimized its operational strategy for the recycled lead business and actively studied technological upgrades, leading to an adjustment in its production scale.

By Regions

Chinese Mainland

The Group's sales revenue in Chinese Mainland decreased by 24.2% from RMB4,764.8 million for the six months ended 30 June 2025 to RMB3,611.6 million for the Period, representing 51.9% of the Group's total revenue (six months ended 30 June 2025: 56.5%). The decrease was primarily attributable to a significant decline in the domestic recycled lead business, leading to a change in the regional sales composition.

EMEA Region

The Group's sales revenue in EMEA remained largely stable from RMB1,534.7 million for the six months ended 30 June 2025 to RMB1,534.7 million for the Period. As the situation of the U.S.-Israel-Iran military conflict evolves, customers in the region, such as data center operators, telecommunications operators and equipment manufacturers, are expected to continue expanding their investments, which is expected to subsequently drive sales growth.

America Region

The Group's sales revenue in the Americas decreased by 16.8% from RMB1,412.4 million for the six months ended 30 June 2025 to RMB1,174.9 million for the Period. Due to the Group's product mix adjustment during the transition period for upgrades, orders are expected to gradually recover in the second half of the year.

Asia Pacific Region (excluding Chinese Mainland)

The Group's sales revenue in the Asia-Pacific region (excluding Chinese Mainland) decreased by 13.2% from RMB726.4 million for the six months ended 30 June 2025 to RMB630.9 million for the Period. The decrease was partly due to the strong sales of SLI batteries in Southeast Asia last year, driven by the local incentives to boost the electric vehicle industry, while sales returned to normal levels this year. It was also partly attributable to a slower pace of order placement as a result of slower-than-expected inventory consumption of customers.

OUTLOOK

Generative AI and intelligent agent technologies are gradually entering the stage of industrial deployment and commercialization. Driven by sustained and rapid growth in computing power demand, traditional centralised cloud computing data centre (DC) are evolving into AI-powered intelligent data centre (AIDC), making high-power, highly reliable and long-duration stable power supply solutions a rigid industry requirement. According to projections by Fortune Business Insights, the global hyperscale data centre market will reach approximately US$54.7 billion in 2025. It is expected to grow at a compound annual growth rate (CAGR) of around 23% from 2026 to 2034, with the market size reaching US$358.2 billion by 2034. The Group will fully leverage its technological strengths and customer advantages in lead-acid battery UPS systems for the DC sector to maintain steady business growth. Meanwhile, the Group will proactively cater to the escalating demand from AIDC customers for lithium-ion battery upgrades, continue to step up investment, and expand the market share of its lithium-ion product portfolio. By fully aligning with the long-term construction trajectory of both DC and AIDC, the Group will further consolidate its market position in the global data centre backup power industry.

Amid the rapid development of the global electric vehicle industry, requirements for low-voltage power supply systems have become increasingly diverse and stringent. The Group's lead-acid battery and lithium-ion battery system technologies are fully capable of meeting such requirements. Lead-acid batteries have already been supplied to a majority of new energy vehicle manufacturers as supporting components, while lithium-ion batteries have also successfully entered the supplier base of relevant automotive OEMs. The Group will sustain steady growth in line with the evolution of this market.

Against the macro backdrop of frequent geopolitical conflicts and protracted tight global fossil fuel supply, reducing energy dependency risks and promoting renewable energy have become a global consensus. As a core pillar of the new power system, energy storage systems perform critical functions including peak shaving and valley filling, smoothing power generation fluctuations and enhancing energy security, with their strategic industrial status continuing to rise. According to projections by BloombergNEF (BNEF), global newly installed energy storage capacity will register a compound annual growth rate (CAGR) of around 15% from 2025 to 2035, underpinned by clear and definitive long-term growth prospects for the sector. As a world-leading smart energy solutions provider, the Group leverages its core competencies in batteries, inverters, battery management systems (BMS) and smart energy management systems (EMS) to deliver end-to-end solutions spanning diversified scenarios, including residential, commercial & industrial and containerized energy storage. This in-house developed full-chain delivery capability, which closely aligns with global dual-carbon goals and the construction requirements of new power systems, is expected to drive the steady expansion of the Group's energy storage business.

The global rollout of 5G networks continues to deepen. Driven by demand from the fast-growing AI sector, 6G technology has entered the stage of system verification and pre-industrial research, and is expected to achieve commercial deployment around 2030. Both stock replacement and incremental demand for power supply systems for communication infrastructure are underpinned by durable rigid demand over the long term. The Group continues to iterate its communication power product portfolio, covering both lead-acid and lithium-ion battery technology paths. Coupled with its in-house developed IoT smart gateway technology, the Group's solutions fulfill customer needs for intelligent monitoring, remote management and fault early warning. This not only helps telecom operators reduce the total operation and maintenance cost of base stations, but also drives the expansion of the Group's business scale and sales revenue.

To date, the Group has established a localized production capacity footprint across China, Vietnam, Malaysia, India and Mexico, enabling it to more effectively address external challenges including fluctuations in international trade policies, geopolitical uncertainties and volatility in global shipping markets. In particular, in future the completion and commissioning of the Mexico manufacturing plant will effectively enhanced supply flexibility for the North American region. Going forward, the Group will continue to optimize its global production capacity allocation, adjust capacity distribution in line with regional market demand, mitigate the impact of policy fluctuations on overall operations, and ensure stable delivery to its global customer base.

Whilst uncertainties persist in the global geopolitical landscape, supply chain cycles and international trade policies, the Group will continue to optimize its internal management and external marketing frameworks, refine its global supply chain operations, and navigate external changes with a prudent operating strategy. Over the long term, the profound transformation underway in the digital industry and energy sector is driving the rapid iteration of battery technologies towards higher power density, high-rate discharge output, wide temperature range adaptability and multi-scenario versatility. The Group will continue to take technological innovation as its core growth driver, deepen the deployment of its full-scenario smart energy solutions, and fully leverage the synergistic advantages of its dual technology roadmap covering lead-acid and lithium-ion batteries. By capitalizing on opportunities presented by the development of AI computing power infrastructure and the global energy transition, the Group will continuously consolidate its core competitive edge in the industry, steadily enhance its long-term profitability, and deliver sustainable long-term value to all shareholders.

FINANCIAL REVIEW

During the Period, the Group's revenue amounted to RMB6,952.1 million, representing a decrease of 17.6% compared to the corresponding period in 2025. Among which, the profit for the Period amounted to RMB112.9 million, representing an increase of 41.2% compared to the corresponding period in 2025, of which the profit attributable to owners of the parent amounted to RMB137.9 million, representing an increase of 32.3% compared to the corresponding period in 2025. Basic and diluted earnings per share for the Period were RMB0.10 (six months ended 30 June 2025: RMB0.07). The increase in basic and diluted earnings per share was mainly caused by the higher gross profit margin.

Revenue

The Group's revenue decreased by 17.6% from RMB8,438.4 million for the six months ended 30 June 2025 to RMB6,952.1 million for the Period, of which the Group's revenue from the power solutions business decreased by 8.4% from RMB7,348.9 million for the six months ended 30 June 2025 to RMB6,732.1 million for the Period, while the Group's revenue from the recycled lead business decreased by 79.8% from RMB1,089.5 million for the six months ended 30 June 2025 to RMB220.0 million for the Period.

Details of the Group's revenue for the six months ended 30 June 2026 and 2025 by product are set out below:

	Six months ended 30 June				
	2026			2025	
Product	**Revenue**		**Percentage increase/ (decrease)**	Revenue	
	RMB'000	***%***		*RMB'000*	*%*
Network power batteries	**3,223,001**	**46.3%**	**(6.0%)**	3,428,757	40.6%
SLI batteries	**2,806,138**	**40.4%**	**(9.9%)**	3,115,307	36.9%
Motive power batteries	**518,081**	**7.5%**	**(16.7%)**	621,810	7.4%
Others	**184,891**	**2.7%**	**1.0%**	183,017	2.2%
Sub-total	**6,732,110**	**96.9%**	**(8.4%)**	7,348,891	87.1%
Recycled lead products	**219,958**	**3.1%**	**(79.8%)**	1,089,473	12.9%
Total	**6,952,068**	**100.0%**	**(17.6%)**	8,438,364	100%

Geographically, the Group's customers are principally located in Chinese mainland, Europe, the Middle East and Africa ("**EMEA**"), the Americas and Asia-Pacific (other than Chinese mainland).

The following table sets forth details of the Group's revenue during the six months ended 30 June 2026 and 2025 based on customer location:

	Six months ended 30 June				
	2026			2025	
Customer location	**Revenue**		**Percentage increase**	Revenue	
	RMB'000	*%*		*RMB'000*	*%*
Chinese mainland	**3,611,588**	**51.9%**	**(24.2%)**	4,764,820	56.5%
EMEA	**1,534,698**	**22.1%**	**0.0%**	1,534,671	18.2%
Americas	**1,174,928**	**16.9%**	**(16.8%)**	1,412,437	16.7%
Asia-Pacific (other than Chinese mainland)	**630,854**	**9.1%**	**(13.2%)**	726,436	8.6%
Total	**6,952,068**	**100%**	**(17.6%)**	8,438,364	100%

Cost of Sales

The Group's cost of sales decreased by 21.7% from RMB7,574.0 million for the six months ended 30 June 2025 to RMB5,928.2 million for the Period, mainly due to the decrease in sales, the decline in raw material prices, and cost reduction and efficiency enhancement initiatives.

Gross Profit

The Group's gross profit increased by 18.5% from RMB864.4 million for the six months ended 30 June 2025 to RMB1,023.9 million for the Period. The overall gross profit margin increased from 10.2% for the six months ended 30 June 2025 to 14.7% for the Period. The gross profit margin increased mainly due to the increase in selling prices, the contraction of the lower-margin lead recycling business, the decline in raw material prices, and cost reduction and efficiency enhancement initiatives.

Other Income and Gains

Other income and gains decreased by 46.7% from RMB139.4 million for the six months ended 30 June 2025 to RMB74.3 million for the Period, mainly due to the decrease in government grants and foreign exchange gains for the Period.

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by 17.3% from RMB305.7 million for the six months ended 30 June 2025 to RMB252.9 million for the Period. The decline in all categories of selling expenses was mainly attributable to the implementation of cost reduction and efficiency enhancement initiatives.

Administrative Expenses

The Group's administrative expenses decreased by 5.3% from RMB267.9 million for the six months ended 30 June 2025 to RMB253.6 million for the Period, which was insignificant. The decrease was mainly attributable to cost reduction and efficiency enhancement initiatives, partially offset by the commissioning of new overseas manufacturing plants.

Research and Development Costs

The research and development expenditure of the Group increased by 16.7% from RMB150.1 million for the six months ended 30 June 2025 to RMB175.3 million for the Period. The increase in cost was mainly attributable to higher research and development expenditure relating to new products.

Fair value gains/(losses) on financial instruments measured at fair value through profit or loss, net

The Group recognised fair value gains of RMB18.8 million on financial instruments measured at fair value through profit or loss during the Period while incurred fair value gains of RMB32.5 million in the corresponding period of 2025.

Finance Costs

The Group's finance costs decreased from RMB153.7 million for the six months ended 30 June 2025 to RMB125.5 million for the Period mainly due to the combined results of the decrease in the average bank borrowings and the decrease in the average interest rates during the Period.

Profit before Tax

As a result of the foregoing factors, the Group recorded profit before tax of RMB177.1 million for the Period (six months ended 30 June 2025: RMB128.2 million).

Income Tax Expenses

Income tax expenses increased by 33.1% from RMB48.3 million for the six months ended 30 June 2025 to RMB64.2 million for the Period, mainly due to the increase of deferred tax expense.

Profit for the Period

As a result of the foregoing factors, the Group recorded profit for the Period of RMB112.9 million (six months ended 30 June 2025: RMB80.0 million), while profit attributable to owners of the parent amounted to RMB137.9 million (six months ended 30 June 2025: RMB104.2 million).

Liquidity and Financial Resources

As at 30 June 2026, the Group's net current assets amounted to RMB173.5 million (31 December 2025: RMB1,190.8 million), among which cash and bank deposit amounted to RMB720.0 million (31 December 2025: RMB658.2 million).

As at 30 June 2026, the Group had bank borrowings of RMB4,962.3 million (31 December 2025: RMB5,141.0 million), all of which are interest-bearing. Except for borrowings of RMB1,332.9 million, which have a maturity of over one year, all of the Group's bank borrowings are repayable within one year. The Group's borrowings are denominated in RMB, US dollars, HK dollars and other currencies, and the effective interest rates of which as of 30 June 2026 were in the range of 1.78% to 8.25% (31 December 2025: 2.00% to 8.25%).

Most of the Group's bank borrowings are secured by pledges of certain assets of the Group including property, plant and equipment, leasehold lands, time deposits and trade receivables.

As at 30 June 2026, the Group's gearing ratio was 31.7% (31 December 2025: 33.1%), which was calculated by dividing total borrowings by total assets as at the end of the respective reporting periods, multiplied by 100%.

Risks of Exchange Rate Fluctuation

The Group operates globally. For the Group's companies in the PRC, their principal activities were transacted in RMB. For other companies outside of the PRC, their principal activities were transacted in US dollars. However, as a result of the Group's revenue being denominated in RMB, the conversion of the revenue into foreign currencies in connection with expense payments is subject to PRC regulatory restrictions on currency conversion. The value of the RMB against the US dollar and other currencies may fluctuate and is affected by, among other things, changes in PRC's political and economic conditions. The Group adopted a price linkage mechanism for product sales by which the risk of currency fluctuation is basically transferred to the customers. However, the Group's foreign currency trade receivables may still be exposed to risk in the credit period.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2026 (31 December 2025: Nil).

Pledge of Assets

Please refer to Note 16 to the financial statements of the Company set out in this announcement for details.

Capital Commitments

Please refer to Note 17 to the financial statements of the Company set out in this announcement for details.

Significant Investment

As at 30 June 2026, the Group had no significant investment with a value of 5% or more of the Group's total assets.

Material Acquisition and Disposal

There was no material acquisition or disposal of any subsidiary, associate or joint venture by the Group during the Period.

EMPLOYEES

As at 30 June 2026, the Group had 16,769 employees. Employee benefit expenses (including directors' remuneration), which comprise wages and salaries, bonuses, equity-settled share option expenses and pension scheme contributions, totaled RMB771.9 million for the Period (six months ended 30 June 2025: RMB835.9 million).

The Group has share option schemes in place for selected participants as incentive and reward for their contribution to the Group. A mandatory provident fund scheme and local retirement benefit schemes are also in effect. The Group encourages employees to seek training to strengthen their work skills and for personal development. The Group also provides workshops for staff at different levels to enhance their knowledge of work safety and to build team spirit. Staff are rewarded based on the overall performance of the Group as well as on individual performance and contribution.

INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of HK1.8 cents per share for the Period (six months ended 30 June 2025: Nil).

The interim dividend shall be payable to the shareholders of the Company (the "**Shareholders**") whose names appear on the register of members of the Company as at the close of business on Friday, 16 October 2026. The interim dividend will be paid to the Shareholders on or about Friday, 6 November 2026.

Based on the 1,433,074,857 shares in issue as at the date of this announcement, it is expected that the total amount of interim dividend payable to the Shareholders would be approximately HK$25.8 million in aggregate for the Period.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 14 October 2026 to Friday, 16 October 2026 (both days inclusive), for the purpose of determining Shareholders' entitlement to receive the interim dividend, during which period no transfer of Shares will be registered. In order to qualify for receiving the interim dividend, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar, Tricor Investor Services Limited. at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on Tuesday, 13 October 2026. The record date for entitlement to the interim dividend is Friday, 16 October 2026.

CORPORATE GOVERNANCE CODE

Throughout the Period, the Company was committed to maintaining a high standard of corporate governance with a view to safeguard the interests of its Shareholders and enhance corporate value. The Board is of the view that the Company has complied with all applicable code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules during the Period save and except for the deviation from code provision F.2.2 (which stipulates that the chairman of the Board should attend the annual general meeting). At the annual general meeting of the Company held on 15 May 2026 (the "**2025 AGM**"), Dr. DONG Li, the chairman of the Board, was unable to attend due to his other business engagements. The management together with the chairmen and/or members of the Board's committees attended the 2025 AGM to answer relevant questions raised by and understand the views of the Shareholders of the Company instead.

EVENTS AFTER THE PERIOD

Save for the cancellation of 9,314,000 repurchased shares on 28 July 2026 as disclosed in the section headed "Purchase, Redemption or Sale of the Company's Listed Securities" below, no material events occurred subsequent to 30 June 2026 and up to the date of this announcement.

AUDIT COMMITTEE

The Audit Committee, which comprises the three independent non-executive Directors, namely, Ms. HO Kit Ling (chairman of the Audit Committee), Mr. LAU Chi Kit and Mr. LU Zhiqiang, has reviewed the unaudited condensed consolidated interim results of the Company for the Period and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group and internal controls, risk management and financial reporting matters.

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

For the six months ended 30 June 2026, pursuant to the general share repurchase mandate granted by the shareholders at the annual general meeting, the Company repurchased an aggregate of 7,289,000 ordinary shares through on-market transactions on the Stock Exchange. Such repurchased shares represented approximately 0.505% of the total issued share capital of the Company as at the date of approval of the repurchase mandate, with an aggregate consideration of approximately HK$8,206,343 (excluding transaction costs). Subsequent to the reporting period and up to the date of this announcement, the Company further repurchased an aggregate of 2,025,000 ordinary shares on the Stock Exchange under the aforesaid mandate, at an aggregate consideration of approximately HK$2,109,700 (excluding transaction costs). Together with the 7,289,000 shares repurchased during the reporting period, the total number of repurchased shares amounted to 9,314,000 shares. The Company completed the cancellation procedures for all the aforesaid repurchased shares on 28 July 2026. Upon completion of the share cancellation, the total issued share capital of the Company was reduced accordingly, and financial indicators such as earnings per share and net assets per share were adjusted automatically.

As at 30 June 2026, there were no treasury shares (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) held by the Company.

APPRECIATION

The Board would like to express its sincere appreciation to the shareholders, customers, suppliers and staff for their continued support to the Group.

By order of the Board
Leoch International Technology Limited
Dr. DONG Li
Chairman

Hong Kong, 26 August 2026

As of the date of this announcement, the executive Directors are Dr. DONG Li, Mr. WU Kouyue and Ms. HONG Yu, and the independent non-executive Directors are Mr. LAU Chi Kit, Mr. LU Zhiqiang and Ms. HO Kit Ling.