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LINGYI iTECH (GUANGDONG) COMPANY
廣東領益智造股份有限公司

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

(Stock code: 1688)

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

FINANCIAL HIGHLIGHTS

- During six months ended June 30, 2026 (the "**Reporting Period**"), Lingyi iTech (Guangdong) Company ("**the Company**") and its subsidiaries (the "**Group**") total revenue was approximately RMB25,149.1 million, representing an increase of approximately 6.45% as compared to RMB23,625.3 million in the same period in 2025;

- During the Reporting Period, the Group's net profit attributable to owners of the parent was approximately RMB763.6 million, representing a decrease of approximately 17.88% as compared to RMB929.9 million in the same period in 2025; and

- The Company's interim profit distribution proposal for 2026 as approved by the Board is a cash dividend of RMB0.2 (tax inclusive) to be distributed per 10 shares. Pursuant to the authorisation granted by the 2025 annual general meeting of the Company, the Company's interim profit distribution proposal for 2026 is not subject to consideration and approval at the general meeting of the Company. The Company will implement this profit distribution plan within two months after obtaining the approval at the Board meeting. The cash dividend is expected to be paid to shareholders on or before Tuesday, October 27, 2026.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	Notes	**June 30, 2026** *RMB* **(Unaudited)**	December 31, 2025 *RMB* (Audited)
CURRENT ASSETS			
Cash and bank balances		**11,443,051,056.63**	6,183,127,578.46
Financial assets held for trading		**2,133,167,241.51**	1,529,402,409.97
Bills receivables		**401,608,559.61**	253,945,303.23
Trade receivables	5	**12,080,188,639.49**	13,769,759,950.12
Receivables financing		**357,259,632.66**	403,378,297.24
Prepayments		**174,335,471.53**	126,352,737.35
Other receivables		**300,178,958.68**	426,267,877.26
Including: Dividends receivable		**896,107.02**	—
Inventories		**8,028,299,134.78**	7,189,891,213.02
Contract assets		**1,640,067.50**	80,151.50
Other current assets		**1,701,327,702.18**	1,400,040,306.39
Total current assets		**36,621,056,464.57**	31,282,245,824.54
NON-CURRENT ASSETS			
Long-term equity investments		**802,129,205.80**	796,950,944.27
Other equity instrument investments		**135,243,677.17**	85,325,212.45
Other non-current financial assets		**77,210,096.32**	18,126,616.36
Investment properties		**266,177,106.67**	275,232,142.89
Fixed assets	4	**15,058,523,894.11**	14,444,823,272.09
Construction in progress		**3,094,836,769.63**	2,859,779,949.07
Right-of-use assets		**1,574,967,390.41**	1,386,698,847.81
Intangible assets		**1,352,337,448.54**	1,261,886,025.89
Development costs		**2,912,412.33**	—
Goodwill		**3,487,654,996.10**	2,703,669,154.54
Long-term deferred expenses		**620,504,535.48**	529,039,112.62
Deferred tax assets		**782,144,926.59**	732,459,945.09
Other non-current assets		**1,532,043,728.17**	1,524,213,953.70
Total non-current assets		**28,786,686,187.32**	26,618,205,176.78
TOTAL ASSETS		**65,407,742,651.89**	57,900,451,001.32

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at June 30, 2026

	Notes	**June 30, 2026** *RMB* **(Unaudited)**	December 31, 2025 *RMB* (Audited)
CURRENT LIABILITIES			
Short-term borrowings		**6,278,568,438.67**	4,531,560,030.93
Bills payables		**1,199,458,151.35**	1,611,216,404.47
Trade payables	6	**11,115,328,976.75**	12,492,067,797.92
Receipts in advance		**188,082.71**	573,527.77
Contract liabilities		**49,918,044.81**	92,664,384.28
Employee benefits payable		**510,356,968.70**	586,495,596.73
Taxes payable		**610,347,685.59**	690,039,937.01
Other payables		**1,005,325,955.31**	1,175,817,216.22
Including: Dividends payable		**6,351,916.78**	6,351,916.78
Non-current liabilities due within one year		**4,537,227,300.86**	5,120,134,579.16
Other current liabilities		**404,334,130.70**	183,943,656.24
Total current liabilities		**25,711,053,735.45**	26,484,513,130.73
NON-CURRENT LIABILITIES			
Long-term borrowings		**5,077,922,049.67**	4,299,483,172.84
Lease liabilities		**1,267,407,801.05**	1,116,941,539.44
Long-term payables		**6,567,033.63**	—
Long-term employee benefits payable		**38,846,865.54**	36,812,896.54
Deferred income		**584,115,105.36**	627,581,893.02
Deferred tax liabilities		**307,104,010.35**	340,876,256.99
Other non-current liabilities		**397,732,895.92**	636,293,850.39
Total non-current liabilities		**7,679,695,761.52**	7,057,989,609.22
TOTAL LIABILITIES		**33,390,749,496.97**	33,542,502,739.95
SHAREHOLDERS' EQUITY			
Share capital	7	**2,034,804,445.81**	1,830,828,680.30
Capital reserve		**18,528,613,161.10**	11,429,755,296.04
Less: Treasury shares		**715,421,965.17**	405,112,535.77
Other comprehensive income		**(375,724,092.20)**	(243,601,997.86)
Surplus reserve		**987,000,000.00**	987,000,000.00
Retained profits		**11,059,419,195.40**	10,441,272,317.12
Total equity attributable to shareholders of the parent		**31,518,690,744.94**	24,040,141,759.83
Non-controlling interests		**498,302,409.98**	317,806,501.54
Total shareholders' equity		**32,016,993,154.92**	24,357,948,261.37
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**65,407,742,651.89**	57,900,451,001.32

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2026

		Notes	Six months ended June 30, 2026 RMB (Unaudited)	2025 RMB (Unaudited)
I.	**Operating revenue**		**25,149,133,679.37**	23,625,285,379.19
	Including: Revenue	8	**25,149,133,679.37**	23,625,285,379.19
II.	**Total operating costs**		**24,436,696,613.73**	22,397,490,407.26
	Including: Cost of sales	8	**20,942,668,062.00**	20,062,727,354.37
	Taxes and surcharges		**102,279,832.45**	93,347,845.26
	Selling and distribution expenses		**257,253,670.72**	190,331,699.28
	Administrative expenses		**1,072,874,158.05**	810,078,047.64
	Research and development expenses		**1,441,670,102.04**	1,127,533,731.48
	Finance costs	9	**619,950,788.47**	113,471,729.23
	Including: Interest expenses		**198,184,602.79**	174,370,895.79
	Interest income		**51,045,077.75**	40,354,209.09
	Add: Other income		**174,770,539.10**	134,876,480.20
	Investment income		**241,191,638.80**	51,780,505.30
	Including: Share of profits and losses of associates		**27,449,045.27**	30,118,200.08
	Gains from changes in fair value		**72,084,302.83**	85,755,031.04
	Credit impairment losses		**68,940,094.22**	113,707,070.74
	Impairment losses on assets	10	**(359,661,330.40)**	(426,282,738.50)
	Gains on disposal of assets		**2,237,547.75**	34,852,257.31
III.	**Operating profit**		**911,999,857.94**	1,222,483,578.02
	Add: Non-operating income		**5,584,274.24**	4,602,298.17
	Less: Non-operating expenses		**18,374,343.29**	3,677,004.10
IV.	**Total profit**		**899,209,788.89**	1,223,408,872.09
	Less: Income tax	11	**122,171,751.72**	281,062,254.67
V.	**Net profit**		**777,038,037.17**	942,346,617.42
	Analysed by continuity of operations			
	Including: Net profit from continuing operations		**777,038,037.17**	942,346,617.42
	Analysed by ownership			
	Owners of the parent		**763,630,227.88**	929,860,823.22
	Non-controlling interests		**13,407,809.29**	12,485,794.20

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended June 30, 2026

	Notes	Six months ended June 30, 2026 RMB (Unaudited)	2025 RMB (Unaudited)
VI. Other comprehensive (loss)/income, net of tax		**(132,369,570.11)**	57,499,984.58
Attributable to owners of the parent		**(132,122,094.34)**	57,499,984.58
(1) Items that will not be reclassified to profit or loss in subsequent periods		**25,090,170.24**	(1,120,000.00)
— Remeasurements of post-employment benefit obligations, net of tax		**1,233,821.70**	—
— Fair value gains/(losses) on other equity investments, net of tax		**23,856,348.54**	(1,120,000.00)
(2) Items that may be reclassified to profit or loss in subsequent periods		**(157,212,264.58)**	58,619,984.58
— Share of other comprehensive loss of associates		**(11,434,719.21)**	(6,955,476.47)
— Exchange differences on translation of foreign operations		**(145,777,545.37)**	65,575,461.05
Attributable to non-controlling interests		**(247,475.77)**	—
VII. Total comprehensive income		**644,668,467.06**	999,846,602.00
Attributable to owners of the parent		**631,508,133.54**	987,360,807.80
Attributable to non-controlling interests		**13,160,333.52**	12,485,794.20
VIII. Earnings per share			
Basic	13	**0.11**	0.13
Diluted	13	**0.10**	0.13

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

1. GENERAL INFORMATION OF THE COMPANY

Lingyi iTech (Guangdong) Company ("the Company"), the predecessor of which was Jiangmen Powder Metallurgy Factory (江門市粉末冶金廠), was established in 1975 in the People's Republic of China (the "PRC" or "China"). In January 2018, the Company acquired the entire equity interest in Lingyi Technology (Shenzhen) Co., Ltd. by way of issue of shares, upon completion of which the de facto controller of the Company became Ms. Zeng Fangqin.

The H Shares of the Company were listed on the Main Board of the Stock Exchange on June 26, 2026. The A Shares of the Company are listed on the Shenzhen Stock Exchange (stock code: 002600).

The Company's registered office is No.8 Longwan Road, Jiangmen City, Guangdong Province.

The Company and its subsidiaries (together, "the Group") is a leading high-precision intelligent manufacturing platform for electronic devices, providing one-stop manufacturing services and solutions to customers worldwide. Leveraging its continuous technological development and AI-integrated manufacturing capabilities, the Group offers a full-category product matrix comprising core materials, high-precision functional components, modules and premium assembly. Adhering to its core operating philosophy of lean, digitalised, automated and green operations, the Group empowers diversified end markets, covering electronic device sectors such as on-device AI, physical AI (robotics) and AI computing power (commercial servers), as well as automotive and advanced air mobility sectors.

2. BASIS OF PREPARATION

The interim financial statements of the Group have been prepared in accordance with the "Accounting Standards for Business Enterprises" issued by the Ministry of Finance of the PRC ("MOF") and their application guidance, interpretations and other relevant provisions (collectively, the "Accounting Standards for Business Enterprises" or "CASBE"), and with the relevant disclosure requirements of the Listing Rules and the Companies Ordinance of Hong Kong.

At the listing application stage, the Group prepared its financial statements in accordance with IFRS. As described in the section headed "Significant Events — Adoption of the Accounting Standards for Business Enterprises", the Group has uniformly adopted CASBE for the preparation of its financial reports and the disclosure of relevant financial information commencing from the interim financial report for the six months ended June 30, 2026. The transition from IFRS to CASBE does not have any material impact on the Group's shareholders' equity or net profit.

The Group has assessed its ability to continue as a going concern for the 12 months from the end of the Reporting Period and has not identified any matters or circumstances casting significant doubt on that ability. Accordingly, these financial statements have been prepared on a going concern basis.

3. CHANGES IN MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

On December 5, 2025, the MOF issued the Notice on the Issuance of Interpretation No. 19 of the Accounting Standards for Business Enterprises (財會[2025] No. 32), which further regulates and clarifies, among other matters, the accounting treatment of indemnification assets in a business combination not involving enterprises under common control, the accounting treatment of the relevant capital reserve upon disposal of a subsidiary previously acquired through a business combination involving enterprises under common control, the derecognition of financial liabilities settled through electronic payment systems, the assessment of, and related disclosures regarding, the contractual cash flow characteristics of financial assets, and disclosures in respect of equity instruments designated as at fair value through other comprehensive income. This interpretation took effect from January 1, 2026.

On June 4, 2026, the MOF issued the Notice on the Issuance of Interpretation No. 20 of the Accounting Standards for Business Enterprises (財會[2026] No. 7), which further regulates and clarifies, among other matters, the assessment of the contractual cash flow characteristics of financial assets and the accounting treatment of, and related disclosures regarding, a lack of exchangeability of a currency. This interpretation took effect from the date of its promulgation, and transactions within its scope arising between January 1, 2026 and its effective date have been adjusted in accordance with it.

Save as disclosed below and in the section headed "Significant Events — Adoption of the Accounting Standards for Business Enterprises", there were no other significant changes in the accounting policies or accounting estimates applied in these interim financial statements.

4. FIXED ASSETS

For the six months ended June 30, 2026, the net increase in fixed assets amounted to RMB613,700,622.02, representing increases of RMB769,821,398.02 primarily attributable to transfers from construction in progress, purchases, and business combinations, net of related depreciation and impairment charges, partially offset by decreases of RMB156,120,776.00 primarily attributable to disposals and transfers to construction in progress. For the six months ended June 30, 2025, the net decrease in fixed assets amounted to RMB22,569,019.68.

5. TRADE RECEIVABLES

The ageing analysis of trade receivables is based on the invoice date.

Ageing	**As at June 30, 2026** *RMB* **(Unaudited)**	As at December 31, 2025 *RMB* (Audited)
Within 1 year (inclusive)	**12,667,004,235.50**	14,475,705,502.89
1 to 2 years	**52,789,429.43**	19,532,859.58
2 to 3 years	**13,153,072.16**	14,590,540.27
3 to 4 years	**15,683,308.84**	12,610,430.39
4 to 5 years	**1,116,862.66**	1,155,101.06
Over 5 years	**68,405,148.09**	68,485,053.62
	12,818,152,056.68	14,592,079,487.81
Less: Loss allowance	**737,963,417.19**	822,319,537.69
Total	**12,080,188,639.49**	13,769,759,950.12

Analysed by method of loss allowance

June 30, 2026

Category	**Gross amount** *RMB* **(Unaudited)**	**Provision** *RMB* **(Unaudited)**	**Provision ratio**	**Carrying amount** *RMB* **(Unaudited)**
On individual basis	**96,441,379.69**	**94,664,205.85**	**98.16%**	**1,777,173.84**
On collective basis	**12,721,710,676.99**	**643,299,211.34**	**5.06%**	**12,078,411,465.65**
Total	**12,818,152,056.68**	**737,963,417.19**	**5.76%**	**12,080,188,639.49**

December 31, 2025

Category	Gross amount *RMB* (Audited)	Provision *RMB* (Audited)	Provision ratio	Carrying amount *RMB* (Audited)
On individual basis	91,657,803.69	91,657,803.69	100.00%	—
On collective basis	14,500,421,684.12	730,661,734.00	5.04%	13,769,759,950.12
Total	14,592,079,487.81	822,319,537.69	5.64%	13,769,759,950.12

6. TRADE PAYABLES

	As at June 30, 2026 *RMB* (Unaudited)	As at December 31, 2025 *RMB* (Audited)
Payables for materials	**8,370,350,439.33**	9,427,731,680.38
Payables for equipment and construction works	**1,848,329,216.89**	1,737,552,524.06
Payables for processing fees	**760,455,866.22**	1,066,311,087.65
Others	**136,193,454.31**	260,472,505.83
Total	**11,115,328,976.75**	12,492,067,797.92

Ageing	As at June 30, 2026 *RMB* (Unaudited)	As at December 31, 2025 *RMB* (Audited)
Within 1 year (inclusive)	**10,782,555,921.09**	12,245,906,260.90
1 to 2 years	**249,386,821.96**	150,598,642.85
2 to 3 years	**45,521,738.57**	26,862,340.34
Over 3 years	**37,864,495.13**	68,700,553.83
Total	**11,115,328,976.75**	12,492,067,797.92

7. SHARE CAPITAL

		Increase/decrease during the period		
	December 31, 2025 (Audited)	Issue of new shares	Option exercise	**June 30, 2026 (Unaudited)**
Share capital *(RMB)*	1,830,828,680.30	203,440,057.13	535,708.38	**2,034,804,445.81**

The movements in share capital set out above represent the movements in the share capital of Lingyi Technology (Shenzhen) Co., Ltd. (領益科技(深圳)有限公司) as restated for the reverse acquisition.

The movements in the shares actually issued by the Company are set out in the table below:

		Increase/decrease during the period		
	December 31, 2025 (Audited)	Issue of new shares	Option exercise	**June 30, 2026 (Unaudited)**
Share capital *(RMB)*	7,306,060,977.00	811,811,880.00	2,137,703.00	**8,120,010,560.00**

8. REVENUE AND COST OF SALES

	Six months ended June 30,			
	2026		2025	
	Revenue	**Cost of sales**	Revenue	Cost of sales
	RMB	***RMB***	*RMB*	*RMB*
	(Unaudited)	**(Unaudited)**	(Unaudited)	(Unaudited)
Principal operations	**24,267,321,501.78**	**20,395,193,534.77**	23,180,278,788.35	19,801,038,973.49
Other operations	**881,812,177.59**	**547,474,527.23**	445,006,590.84	261,688,380.88
Total	**25,149,133,679.37**	**20,942,668,062.00**	23,625,285,379.19	20,062,727,354.37

Disaggregation for the six months ended June 30, 2026

(RMB)

	Electronic devices		Automotive and advanced air mobility		Others		Total	
Classification of contracts	**Revenue**	**Cost of sales**	**Revenue**	**Cost of sales**	**Revenue**	**Cost of sales**	**Revenue**	**Cost of sales**
By operating region	**20,463,843,050.36**	**16,888,160,635.87**	**3,527,792,857.90**	**3,030,915,273.96**	**1,141,042,872.41**	**1,015,783,345.64**	**25,132,678,780.67**	**20,934,859,255.47**
Including:								
Domestic sales	4,811,597,039.63	4,169,724,275.82	3,121,740,823.44	2,725,698,860.36	104,723,295.85	77,009,787.06	8,038,061,158.92	6,972,432,923.24
Overseas sales	15,652,246,010.73	12,718,436,360.05	406,052,034.46	305,216,413.60	1,036,319,576.56	938,773,558.58	17,094,617,621.75	13,962,426,332.23
By timing of transfer of goods	**20,463,843,050.36**	**16,888,160,635.87**	**3,527,792,857.90**	**3,030,915,273.96**	**1,141,042,872.41**	**1,015,783,345.64**	**25,132,678,780.67**	**20,934,859,255.47**
Including:								
Transfer at a point in time	20,463,843,050.36	16,888,160,635.87	3,527,792,857.90	3,030,915,273.96	1,141,042,872.41	1,015,783,345.64	25,132,678,780.67	20,934,859,255.47
Total	**20,463,843,050.36**	**16,888,160,635.87**	**3,527,792,857.90**	**3,030,915,273.96**	**1,141,042,872.41**	**1,015,783,345.64**	**25,132,678,780.67**	**20,934,859,255.47**

9. FINANCE COSTS

	Six months ended June 30, 2026	Six months ended June 30, 2025
	RMB	*RMB*
	(Unaudited)	(Unaudited)
Interest expenses	**198,184,602.79**	174,370,895.79
Less: Interest income	**51,045,077.75**	40,354,209.09
Loss/(gain) on foreign currency exchange	**466,445,960.35**	(23,722,167.29)
Bank charges and others	**6,365,303.08**	3,177,209.82
Total	**619,950,788.47**	113,471,729.23

10. IMPAIRMENT LOSSES ON ASSETS

	Six months ended June 30, 2026 *RMB* **(Unaudited)**	Six months ended June 30, 2025 *RMB* (Unaudited)
Impairment loss of inventories and costs to fulfil contracts	**(351,988,596.71)**	(368,055,675.76)
Impairment loss of fixed assets	**(7,590,632.85)**	(53,664,417.85)
Impairment loss of construction in progress	**—**	(4,501,093.73)
Impairment loss of intangible assets	**—**	(61,551.16)
Impairment loss of contract assets	**(82,100.84)**	—
Total	**(359,661,330.40)**	(426,282,738.50)

11. INCOME TAX

Major taxes and tax rates

Type of tax	**Tax basis**	**Tax rate**
Value-added tax	Output tax calculated based on sales revenue from the sales of goods or provision of taxable services	24%, 20%, 13%, 10%, 9%, 7%, 6%, 5%, 3%
Urban maintenance and construction tax	Actual amount of turnover tax paid	5%, 7%
Enterprise income tax	Taxable income	0%, 14%, 15%, 16.5%, 17%, 17.16%, 20%, 21%, 23.2%, 24%, 25%, 25.17%
Education surcharge	Actual amount of turnover tax paid	3%
Local education surcharge	Actual amount of turnover tax paid	2%
Property tax	1. Assessed on ad valorem basis; 2. Assessed on rental income basis	1.2%, 12%

	Six months ended June 30, 2026 *RMB* **(Unaudited)**	Six months ended June 30, 2025 *RMB* (Unaudited)
Current tax	**220,128,854.39**	219,250,893.26
Deferred tax	**(97,957,102.67)**	61,811,361.41
Total	**122,171,751.72**	281,062,254.67

11. INCOME TAX (CONTINUED)

Reconciliation between accounting profit and income tax expenses:

	Six months ended June 30, 2026 *RMB* **(Unaudited)**
Total profit	**899,209,788.89**
Income tax expenses calculated at statutory/applicable tax rate	**224,802,447.22**
Effect of different tax rates applicable to subsidiaries	**(125,648,662.07)**
Under-provision in prior years	**7,855,276.73**
Tax effect of non-deductible expenses	**44,439,022.96**
Tax effect of utilisation of tax losses not recognised in prior years	**(28,649,505.25)**
Tax effect of deductible tax loss and deductible temporary difference not recognised	**119,354,257.57**
Super deduction of research and development expenses and others	**(119,981,085.44)**
Income tax	**122,171,751.72**

12. DIVIDENDS

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Dividend declared per ordinary share *(RMB)*	**0.02**	0.02

For the six months ended June 30, 2026, the 2025 final dividend of RMB145,483,349.60 in aggregate (RMB0.2 per 10 ordinary shares, tax inclusive), as approved by shareholders at the annual general meeting held on 20 April 2026, was fully paid during the period. (Six months ended June 30, 2025: the 2024 final dividend of RMB140,163,556.38 in aggregate (RMB0.2 per 10 ordinary shares, tax inclusive) was approved and fully paid during the period.)

At the meeting held on August 28, 2026, the Board approved an interim dividend in respect of the six months ended June 30, 2026 of RMB0.2 per 10 ordinary shares (tax inclusive), in aggregate of RMB161,521,554.54 (six months ended June 30, 2025: RMB0.2 per 10 ordinary shares (tax inclusive), in aggregate of RMB139,411,450.00).

13. EARNINGS PER SHARE

Basic earnings per share

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Earnings		
Profit attributable to owners of the parent *(RMB)*	**763,630,227.88**	929,860,823.22
Shares		
Weighted average number of ordinary shares *(shares)*	**7,243,880,051.80**	6,953,381,510.83

Diluted earnings per share

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Earnings		
Profit attributable to owners of the parent (diluted) *(RMB)*	**763,630,227.88**	956,591,951.04
Shares		
Weighted average number of ordinary shares (diluted) *(shares)*	**7,362,385,331.23**	7,293,469,355.47

MANAGEMENT DISCUSSION AND ANALYSIS

I. Main business engaged by the Company during Reporting Period

As a leading high-precision intelligent manufacturing platform for electronic devices, relied on advanced manufacturing technologies such as die-cutting, stamping, computer numerical control ("**CNC**") machining, injection molding, metal injection molding ("**MIM**") and die casting processes, the Company established one-stop solutions and intelligent manufacturing services system which enable us to provide our clients in multiple countries or regions all around the world with core materials, high-precision functional components, modules and assembled systems, empowering the AI industry from multiple dimensions, including on-device AI, physical AI, and AI computing power.

The Company's core products are widely applied across diverse end-market sectors, including on-device AI, physical AI, AI computing power, automotive, and the advanced air mobility, among other frontier areas, comprehensively covering AI smartphones and foldable smartphones, AI glasses and XR wearable devices, AI PC, AI data centres (AI DC), robotics, automotive, and advanced air mobility-related hardware products.

A. Development of each business segment

The year 2026 marks the 20th anniversary of the Company's founding, and more importantly, a pivotal year for the Company to strive towards its medium-to-long-term development goals for 2030. In the first half of 2026, the Company confronted the profound transformation driven by the global AI + infrastructure revolution. Guided by the strategic principle of "doing the right things and doing things right", the management team continued to deepen the Company's presence in the core track of intelligent manufacturing, empowering the AI industry across multiple dimensions, including on-device AI, physical AI, and AI computing power.

The Company has achieved phased progress in multiple areas, including new business development, product iteration and upgrading, corporate governance optimization, and cost reduction and efficiency enhancement through the adoption of AI tools, laying a solid foundation for the achievement of its medium-to-long-term development goals for 2030.

In terms of on-device AI, the Company has commenced mass production and delivery of high-performance ultra-thin VCs (TVC) and integrated middle-frame VC modules to domestic customers, and supplies core precision components for next-generation terminal products to a major North American customer, including precision hinge structural parts, screen support plates, ultra-thin vapor chambers, and flanged ultra-thin stainless steel battery shell modules.

In terms of physical AI, the assembly lines at the Company's robotics bases in Beijing, Chengdu, Zhengzhou, Dongguan and overseas have officially commenced production, with production capacity being released in an orderly manner and delivery efficiency and response speed steadily improving. The HONOR Robotics D1 won the championship in the 2026 Beijing E-Town Humanoid Robot Half Marathon, and the Company provided core structural components, surface treatment and related products and services for the robot. The Company has further upgraded its embodied AI industrial application scenarios, deploying a wide variety of industrial embodied robots in core production processes such as material loading and unloading handling, automated optical inspection (AOI), and CNC machining with both the depth and breadth of applications significantly enhanced.

In terms of AI computing power, products relating to server common redundant power supplies (CRPS) have commenced mass production and delivery.

The development of the Company's business segments is set out below:

(1) Electronic Devices

As the Company's core business segment and the cornerstone for building an intelligent manufacturing platform for electronic devices, the electronic devices segment focuses on three frontier directions: on-device AI, physical AI, and AI computing power. The Company provides comprehensive solutions and intelligent manufacturing services — ranging from core components and functional modules to premium assembly — to world-leading industry customers.

a. On-device AI

The Company's on-device AI segment focuses on the R&D, production, sales and solutions of electronic devices at the terminal side. Its product portfolio covers AI smartphones and foldable smartphones, AI glasses and XR wearable devices, AI PC, AI terminal thermal management (heat dissipation), display and imaging, battery and power supply, sensors and related modules, materials, premium assembly, and others.

b. Physical AI (robotics)

The Company's robotics strategy is positioned to become a global leading embodied electronic devices manufacturer through three dimensions. First, to build a full-stack service capability covering the entire process from core components to complete machine assembly with a global footprint and full-process capabilities. Second, to focus on the R&D and design of core components and assemblies. Third, to provide comprehensive industrial application scenario development and deployment for robotics.

The Company provides comprehensive embodied AI product solutions to terminal manufacturers, including CNC machining, 3D printing, metal injection moulding (MIM), and die-casting manufacturing services covering structural components across the entire body, and focuses on core components such as joint modules, high-power charging, thermal modules, dexterous hands, as well as complete machine assembly services. Through internal and external collaboration and supply chain coordination, the Company actively promotes innovation and application of robotics technologies, contributing new solutions and products to the industry to meet the growing market demand for high-performance robotics products. As of the date hereof, the Company has completed hardware/complete machine assembly services for several thousand units for a number of leading embodied AI enterprises, and has implemented robots in multiple application scenarios.

c. AI Computing Power-Related Hardware

The Company acquired Dongguan Readore Technology Co., Ltd. (Readore), whose principal business includes core thermal management hardware products such as server liquid-cooling quick-disconnect connectors (UQD), liquid cooling manifolds, single-phase liquid cooling modules (including server liquid cooling plates and optical module cold plates), phase-change liquid-cooling modules, server vapor chambers (VC and 3DVC), as well as busbars. As a core supplier to the leading customer in the North American computing power industry, Dongguan Readore Technology Co., Ltd.(Readore) continues to deliver server liquid cooling and power supply-related products in bulk to overseas computing power industry leaders and their supply chain partners, server OEMs, power solution companies and other customers.

(2) Automotive and Advanced Air Mobility

Through the acquisitions of Zhejiang Xianglong and Jiangsu Kooda, the Company has accelerated its strategic deployment in the automotive components sector, building a diversified product portfolio covering automotive drivetrain systems, interior and exterior trim components and new energy vehicle battery core components, and establishing a core position in the automotive industry chain. The Company's major customers in the automotive segment include new energy vehicle and internal combustion engine vehicle OEMs such as Volkswagen, Toyota, GWM, BYD, NIO, Leapmotor, GAC, FAW, Chery, Li Auto, Geely and JAC, as well as leading global off-road vehicle brands such as Bombardier and Polaris. The Company's advanced air mobility-related products include carbon fibre rotor blades for aircraft and high-power charging systems for aerial vehicles.

B. Industry Position

Driven by technological innovation as its core engine, the Company has steadily consolidated its leading industry position through long-term commitment and accumulation in multiple key areas, supported by superior product quality, a robust management system, efficient operations and a strong capital market presence. By translating its mission into tangible actions, the Company continues to drive the industry towards high-quality development.

According to Frost & Sullivan, in terms of revenue in 2025, we ranked first globally in the high-precision functional component market for smart electronic, and third globally among high-precision intelligent manufacturing platforms for smart electronic.

II. Industry Landscape During the Reporting Period

A. Electronic Devices (On-device AI, Physical AI and AI Computing Power Related)

Electronic devices refers primarily to smart hardware that integrates artificial intelligence technologies and is capable of intelligent interaction and perception. This includes core components for on-device AI (such as smartphones, foldable smartphones, PCs and smart wearables), physical AI (robotics) and AI computing power (AI servers). Through high-performance computing platforms, intelligent operating systems and multimodal interaction methods, these core hardware products are driving innovation in human-computer interaction and accelerating the adoption of AI technologies in everyday life and industrial applications.

1. On-device AI Industry Overview and Development Trends

Innovative AI-driven devices are redefining the value structure of the On-device AI Industry. In the near term, the on-device AI market has shown a moderate recovery, with innovative product categories such as foldable devices, AI glasses and XR devices emerging as key growth drivers. This has also accelerated the continuous evolution of technologies and processes related to high-precision hardware. The core value proposition for manufacturers is shifting from cost and efficiency competition to comprehensive competitiveness anchored in forward-looking technology reserves and collaborative innovation capabilities.

2. Physical AI (robotics) Industry Overview and Development Trends

Driven by the continuous advancement of large AI models, traditional robots are gradually transforming into adaptive machines capable of operating in complex environments and learning from them, achieving breakthroughs in safety and precision. Intelligent robots, with their increasingly realistic perceptual and interactive capabilities, ergonomically optimized structural designs, and natural and smooth motion performance, are rapidly penetrating industrial, professional service and consumer scenarios. Of particular note, the improvements in performance, stability and safety of humanoid robots, combined with rising global labor costs and accelerating industrial automation, are collectively driving robust market growth.

With accelerating technological iteration, the humanoid robotics industry is set to enter a critical phase of commercialization in 2026. Building on the transition from “0 to 1” and the move towards “1 to 10” achieved in 2025, the industry is expected to overcome the pre-scale bottleneck in 2026, accelerating towards “10 to 100” mass production and widespread commercial deployment. The core theme of industry development is shifting towards “scale production and commercialization acceleration.”

The humanoid robotics industry chain continues to improve, and can be broadly divided into three segments: upstream core components, midstream body manufacturing, and downstream application scenarios. The upstream segment includes key hardware such as cameras, bearings, batteries, controllers, lead screws, sensors, motors, and reducers, which form the core foundation affecting robot motion performance, control precision, perception capability, and operational stability. The midstream segment focuses on the manufacturing of humanoid robot bodies, involving algorithm models, torso structures, complete machine integration, dexterous hands, motion control systems, and joint modules. The downstream segment covers operation and maintenance services, system integration, subsequent software iteration and upgrades, product sales, and scenario deployment. The industry is transitioning from prototype validation to small-batch delivery, with a progressively clearer division of labor across the chain; however, significant differences have already emerged in the development prospects and competitive landscape of each sub-segment.

In humanoid robots, rotational joints, linear joints, and dexterous hands are key components of the actuation system, driving strong demand for high-precision components and functional modules. As humanoid robots need to achieve balanced walking, precise manipulation and human-robot interaction in complex environments, they impose extremely high requirements on the precision, consistency and response speed of their components. High-precision components can significantly reduce transmission errors, improve control accuracy and dynamic stability, thereby ensuring smooth movement and operational safety and reliability. With the increasing degrees of freedom and enhanced structural flexibility of robots, the complexity of system integration rises, and future reliance on high-precision components and functional modules will further deepen, with increasing demands for precision, power density, and modular design. According to Frost & Sullivan, the combined value share of rotational joints, linear joints and dexterous hands is expected to increase from 47.4% in 2024 to 50.0% in 2029.

3. *AI Computing Power Industry Overview and Development Trends*

The surge in computing power demand is driving growth in the enterprise-grade commercial server market. With the rapid increase in demand for AI large model training and inference, global computing power demand is rising exponentially, prompting leading global AI companies and major cloud service providers to accelerate the deployment of hyperscale high-power data centers. According to Frost & Sullivan, global data center capital expenditure is expected to grow from approximately US$450 billion in 2024 to over US$3 trillion by 2030. The scale of generative AI training and inference is driving up demand for enterprise-grade commercial servers, significantly boosting demand for related high-precision hardware such as server cooling and power supply systems.

With the surge in AI computing power, cooling requirements for servers have risen significantly, driving exponential growth in the high-precision thermal management hardware market for enterprise-grade commercial servers. AI computing centers impose higher demands on the precision, thermal management and long-term reliability of core components, testing manufacturers' capabilities in process consistency and yield. According to Frost & Sullivan, the AI server cooling market is expected to maintain strong growth momentum, reaching US$33 billion by 2029, representing a compound annual growth rate of 47.1% from 2025. Against the backdrop of continuously increasing power density and energy efficiency requirements in data centers, liquid cooling solutions are rapidly penetrating the market, which will further drive demand for high-precision thermal management hardware and consolidate its strategic position as a core enabler for sustainable AI infrastructure expansion. Manufacturers that take early steps in building capabilities in related high-precision hardware are well positioned to secure first-mover advantages during the growth phase of the enterprise-grade commercial server industry.

B. Automotive Components Industry Overview and Development Trends

In 2025, the global automotive industry moved forward steadily amid profound structural transformation. As the world's largest automobile producer and consumer market, China has seen simultaneous improvement in both industry scale and quality, providing broad growth opportunities for companies along the industrial chain. According to statistics from the China Association of Automobile Manufacturers, China's automobile production and sales reached new historic highs in 2025, with 34.531 million and 34.40 million units produced and sold respectively, representing year-on-year growth of 10.4% and 9.4%, marking 17 consecutive years as the world's largest automobile market. Among these, the leading role of new energy vehicles (NEVs) continued to strengthen, with annual production and sales both exceeding 16 million units, marking 11 consecutive years as the world's largest NEV market and signaling that the electrification transition has entered a new phase of large-scale, market-driven development. As the foundational segment of the industry, the automotive components sector is closely aligned with the development trajectory of the vehicle manufacturing industry. According to a report by research firm Business Research Insights, the global automotive components market is expected to reach US$1,853.34 billion in 2026 and is projected to grow to US$2,660.79 billion by 2035, representing a compound annual growth rate of 4.1% from 2026 to 2035.

Automotive Components Classification and Industry Chain System: Automotive components form the foundation of the automotive industry and represent a critical segment of the industrial chain, providing nearly all parts and components for vehicle manufacturing except for the chassis frame. According to Frost & Sullivan, the automotive components industry in China can be classified by function into three major categories: fuel power system components (mainly used in internal combustion engine vehicles and hybrid vehicles, covering core components such as engines, transmissions and fuel supply systems); general automotive components (commonly used across various vehicle types, including chassis, body, electrical/electronic and intelligent systems); and new energy power system components (specifically designed for electric and hybrid vehicles, with core components including batteries, electric motors, electronic controls and energy recovery devices).

III. Analysis of Core Competitiveness

A. A Globally Leading Intelligent Manufacturing Platform for Electronic Devices, Empowering the AI Industry Across Multiple Dimensions

The Company is a globally leading intelligent manufacturing platform for electronic devices. Leveraging advanced manufacturing processes and technological accumulation, it has built an integrated solution platform capability spanning core materials, precision functional components, modules and premium assembly. Supported by an institutionalized and systematic management system, the Company has developed a globally operating model with Lingyi's distinctive features, which has been efficiently replicated across various business segments and units. The Company possesses the capability to provide multi-dimensional electronic devices intelligent manufacturing services and efficient product delivery to leading customers across multiple industries worldwide.

The Company has maintained a global industry-leading market share and shipment volume for its related products for many consecutive years, setting industry standards in quality, process, technology and other aspects. Leveraging advanced manufacturing technologies including die-cutting, stamping, CNC machining, injection moulding, MIM and die-casting, the Company's products are widely applied across industries such as on-device AI, physical AI, AI computing power, automotive and the advanced air mobility, contributing to industry innovation and development.

B. Industry-leading Full-Stack Technology and Intelligent Manufacturing Innovation Capabilities

With forward-looking strategic vision, full-stack technology and intelligent manufacturing innovation capabilities, the Company has achieved multiple breakthrough innovations from 0 to 1 and has defined industry standards. The Company comprehensively promotes its "one core, four modernizations" strategy, with technology as its core competitiveness and "lean, automated, data-driven and green" manufacturing as its operating philosophy. By integrating AI and robotics into automated production and core processes, the Company has significantly improved manufacturing precision, operational efficiency and resource utilization, building highly efficient and modern smart factories. In response to the rapid iteration and personalized demands brought by AI technologies, the Company, through deep integration of innovative material applications, cutting-edge process development and diversified application scenarios, continues to extend its capabilities from core processes to integrated product capabilities, and further upgrade to system-level solutions, providing replicable solution capabilities across multiple scenarios.

C. Deep Engagement with Premium Customers and Joint Construction of a Long-term Stable Strategic Customer Ecosystem

The Company is a hidden champion in the precision manufacturing industry, consistently upholding a "customer-centric" service philosophy and establishing long-term, stable cooperative relationships with global leading players in on-device AI, physical AI (robotics) and AI computing power (commercial servers) automotive and advanced air mobility-related sectors. Major brand manufacturers impose stringent standards on supplier qualification and only collaborate with suppliers that have passed their certification or hold certifications from recognized authorities. The certification process is complex, covering production capacity, product quality, factory environment and human resources, among other aspects, driving the Company to continuously review and enhance its capabilities. Leveraging its full-stack capabilities spanning product definition, R&D support, scaled manufacturing, supply chain management and global delivery, the Company has achieved deep strategic integration with customers throughout the entire process from concept to mass production.

D. Global Strategic Layout to Foster New Business Growth

The Company adheres to an international development strategy of coordinated multi-category and multi-region expansion, and is committed to achieving both domestic and international excellence through localized operations and global delivery. Through deep strategic deployment at home and abroad, the Company has achieved localized management of R&D, production, sales and delivery, enabling rapid response to customer needs worldwide. The Company is one of the most extensively globalized enterprises in the electronic devices high-precision intelligent manufacturing platform sector.

The Company has built a highly efficient global production and delivery network, with over 80 production bases and regional hubs across 12 countries. Domestically, the Company's manufacturing facilities are located across multiple provinces and cities, covering core materials, precision functional components and modules, and premium assembly. Internationally, the Company has established localized production capacity in major global markets. To further align with customers and markets, the Company has set up dedicated R&D centers, sales branches and delivery centers in key regions worldwide, enabling localized operations and rapid delivery, and providing customized integrated solutions to its customers.

E. Excellent Green Intelligent Manufacturing Practices, Defining New Standards for Sustainable Development in the Global Industry

The Company has always regarded business growth and sustainable development as mutually reinforcing dual objectives. Guided by the core principle of "Reduce, Reuse, Recycle" (3R), the Company has systematically embedded green concepts throughout its entire production process. Through the development of innovative technologies such as nested cutting processes, material-saving routing processes and circulating cleaning systems, the Company has significantly improved resource utilization efficiency, achieved savings in water and cleaning fluids, and driven improvements in material utilization rates across key processes.

F. Engineer Culture Anchored in Technological Innovation

Talent is the core driver of enterprise development, and the Company's essence lies in its engineer culture. In recent years, the Company has established a clear career progression system and promotion pathways for technical personnel, directing rewards, training and benefits towards technical talent to ensure that key professionals play pivotal roles in critical technical positions. The Company regularly conducts skills assessments for technical roles and develops tiered learning roadmaps. By establishing talent development standards, it integrates role competencies, career pathways and learning activities to provide clear guidance for employee growth. At the same time, the Company has launched specialized development programmes in technical fields such as R&D, engineering, lean manufacturing and quality, and has established fast-track promotion channels for outstanding young talent to accelerate their growth.

IV. Financial review

Overview

(1) The Company's operating results for the first half of 2026 are summarized as follows: the Company achieved operating revenue of RMB25,149.1 million in the first half of 2026, representing an increase of 6.45%; net profit attributable to owners of the parent was RMB763.6 million, representing a decrease of 17.88%; and net cash inflow from operating activities was RMB1,709.9 million, representing an increase of 2.20%. The key reasons are as follows:

1. The Company continued to increase R&D investment in new products, and, by leveraging its strengths in technological innovation to optimize its product structure, has driven a year-on-year growth in total gross profit of 18.07% and a year-on-year increase in gross profit margin of 1.65 percentage points.

2. Due to factors such as exchange rate fluctuations, the Company's net profit declined.

(2) The operating conditions of the business segments in the first half of 2026 are as follows:

1. The electronic devices business achieved revenue of approximately RMB20,463.8 million, a year-on-year decrease of 1.92%, alongside a year-on-year increase of 0.58 percentage points in the gross profit margin. Among them, the revenue of the battery/power supply (including On-device AI and AI computing power server power supply) related business was RMB3,927.7 million, a year-on-year increase of 12.73%. Revenue from thermal management-related businesses (including heat dissipation for On-device AI and AI computing power servers) was RMB2,919.5 million, representing a year-on-year increase of 43.46%.

2. The automotive and advanced air mobility business achieved revenue of RMB3,527.8 million, a year-on-year increase of 198.26%, and the gross profit margin recorded a year-on-year increase of approximately 6.25 percentage points.

Revenue and gross profit. Revenue increased by approximately 6.45% to RMB25,149.1 million (the same period of last year: RMB23,625.3 million), primarily attributable to growth in the automotive and advanced air mobility business. Overseas sales represented approximately 67.97% of disaggregated revenue. Gross profit increased by approximately 18.07% to RMB4,206.5 million and the gross profit margin improved from approximately 15.08% to approximately 16.73%, primarily attributable to the Company's continuous increase in R&D investment in new products and the optimization of its product structure by leveraging its strengths in technological innovation.

Operating expenses. Research and development expenses increased by approximately 27.86% to RMB1,441.7 million; selling and distribution expenses increased by approximately 35.16% to RMB257.3 million; and administrative expenses increased by approximately 32.44% to RMB1,072.9 million, primarily attributable to an increase in research and development expenses and administrative expenses driven by total research and development investment and new business expansion, while the sales team was also expanded in response to the growth in revenue scale.

Finance costs. Finance costs increased from RMB113.5 million to RMB620.0 million, principally attributable to the increase in foreign exchange losses.

Income tax. Income tax expenses were RMB122.2 million (the same period of last year: RMB281.1 million), representing a decrease of approximately 56.53%, primarily attributable to the recognition of deferred tax assets during the period.

Impairment. Impairment losses on assets were RMB359.7 million (the same period of last year: RMB426.3 million), comprising mainly write-downs of inventories and costs to fulfil contracts; credit impairment reversal of RMB68.9 million were recognised (the same period of last year: RMB113.7 million).

Assets subject to restrictions on ownership or use. As at June 30, 2026, the Group had assets with a total carrying amount of RMB1,906.3 million pledged as security to obtain bank borrowings and property preservation for litigation, which mainly included buildings, land, bills and cash and bank balances.

Liquidity and financial resources. As at June 30, 2026, the Group had cash and cash equivalents of approximately RMB10,690.3 million. The Group has sufficient liquidity to meet its daily working capital management and capital expenditure requirements and to control internal operating cash flows.

For the six months ended June 30, 2026, the Group's net cash generated from operating activities was approximately RMB1,709.9 million, compared to net cash generated from operating activities of approximately RMB1,673.2 million for the same period in 2025, which was primarily due to the increasing revenue. Net cash used in investing activities was approximately RMB4,178.4 million, compared to net cash used in investing activities of approximately RMB3,841.4 million for the same period in 2025, which was primarily due to the increase of acquisition payment for the subsidiaries. Net cash generated from financing activities was approximately RMB7,862.4 million, compared to net cash generated from financing activities of approximately RMB917.9 million for the same period in 2025, which was primarily due to the inflow of proceeds from the H-share initial public offering. As at June 30, 2026, the Group's total borrowings amounted to approximately RMB15,163.9 million, representing an increase of approximately 13.66% from December 31, 2025. The Group's borrowings primarily consisted of discounted bills and guaranteed borrowings.

Capital structure and net debt to equity ratio. The Group monitors its capital position using the net debt to equity ratio, which equals total interest-bearing borrowings (including current and non-current portions), lease liabilities (including current and non-current portions), and long-term payables (including current and non-current portions) less the sum of cash and cash equivalents, divided by total equity as of the end of the period. It is the Group's policy to maintain the net debt to equity ratio at a low level. As at June 30, 2026, the Group's net debt to equity ratio was approximately 19.50% (December 31, 2025: 38.58%).

Foreign exchange exposure. The Group's exchange rate risk arises principally from foreign currency exposures generated by overseas sales, procurement and other operating activities and from fluctuations in exchange rates, which may be affected by domestic and overseas political and economic conditions and may in turn affect the Group's operating results denominated in Renminbi. The majority of the Group's raw material procurement is denominated in Renminbi, while the currencies used in product exports and the day-to-day operations of its overseas subsidiaries are principally U.S. dollars. Therefore, exchange rate fluctuations may have an adverse impact on the Company. In the future, there may be a risk of significant foreign exchange losses resulting from substantial exchange rate fluctuations. While ensuring safety and liquidity, the Company will adopt various measures to hedge and mitigate foreign exchange risk.

V. Outlook on the Company's Future Development

A. Company Development Strategy

Looking ahead to 2026, we stand at a new starting point marking the 20th anniversary of Lingyi iTech's founding, and a pivotal year in our drive towards the medium-to-long-term development goals for 2030. As we confront the profound transformation driven by the global AI + infrastructure revolution, our strategic direction has become even more resolute.

Anchored in long-term value creation, we remain committed to "doing the right things." Doing the right things represents our direction, strategy and guiding philosophy. We stay focused on the core track of intelligent manufacturing while accelerating our deployment in emerging sectors such as on-device AI, physical AI (robotics) and AI computing power (commercial servers), automotive and the advanced air mobility, fostering new growth engines. With a global perspective, we are deepening our overseas footprint and replicating the competitive advantages of China's intelligent manufacturing to bring our products and services to a broader customer base. By aligning ourselves with the macro trends of our time, we are turning our strategic vision into tangible results.

Sharpening execution efficiency by earnestly "doing things right." "Doing things right" is about process, capability and execution. We will leverage digital and intelligent systems to drive operational efficiency and deepen organizational transformation. We are fully launching a "company-wide AI adoption" initiative, integrating AI into the entire value chain of R&D and innovation, manufacturing and plant management, with the goal of becoming a global one-stop intelligent manufacturing solutions provider.

Guided by our core belief of "doing the right things and doing things right," and leveraging our dual strengths in full-chain technological capabilities and global service infrastructure, we are committed to increasing the revenue contribution of high-value-added products. As we navigate through market cycles, we will continue to strengthen our core competitiveness, enhance our global market position and build sustainable development capabilities. Through steady and long-term growth, we aim to deliver value in return for the trust and support of our shareholders.

Looking ahead, the Company will make comprehensive efforts across six key dimensions: product portfolio, technological innovation, international management, strategic mergers and acquisitions, talent development and green manufacturing. We will continue to strengthen our industry-leading position, build core competitiveness suited for future competition, and drive the Company towards high-quality and sustainable development.

OTHER INFORMATION

Corporate governance

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

Compliance with the Corporate Governance Code

During the Reporting Period, we have complied with all the provisions of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), save for the following deviation.

Code provision C.2.1 of the Corporate Governance Code recommends, but does not require, that the roles of chairperson and chief executive should be separate and should not be performed by the same person. The Company deviates from this provision because Ms. Zeng performs both the roles of chairperson of the Board and general manager of the Company, given that she has extensive experience in the business operations and management of our Company. Our Board believes that, in view of her experience, personal profile and her roles in our Company as mentioned above, Ms. Zeng is the Director best suited to identify strategic opportunities and the focus of the Board due to her extensive understanding of our business.

The Board considers that the balance of power and authority in the present arrangement is not compromised, given the size of the Board, oversight from the independent non-executive Directors, and robust senior management team, and believes that this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to evaluate the roles of chairwoman of the Board and general manager of the Company at an appropriate time, taking into account the circumstances of the Company as a whole.

Compliance with the Model Code

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

Use of Proceeds from the Global Offering

On June 26, 2026, the H Shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the Global Offering were approximately HKD8,170.33 million. As at June 30, 2026, the Group had utilized the net proceeds as set out in the table below:

	Net proceeds from the Global Offering *(HKD in million)*	Approximate % of the total amount	Utilized proceeds as at June 30, 2026 *(HKD in million)*	Unutilized proceeds as at June 30, 2026 *(HKD in million)*	Expected timetable for the fully utilizing of unutilized proceeds
Enhance our production capacity and upgrade core manufacturing processes	3,072.04	37.60%	0	3,072.04	Before December 31, 2028
Strengthen our core R&D capabilities	972.27	11.90%	0	972.27	—
Scale our manufacturing infrastructure within and outside Chinese Mainland	857.89	10.50%	0	857.89	—
Strategic investments and acquisitions	2,451.10	30.00%	0	2,451.10	—
Working capital	817.03	10.00%	0	817.03	—
Total	8,170.33	100%	0	8,170.33	—

The utilized proceeds as described above were utilized in accordance with the purposes set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The remaining balance of the net proceeds of approximately HKD8,170.33 million was placed with banks as of June 30, 2026. The Group will gradually apply the remaining balance in the manner set out in the Prospectus depending on actual business needs.

Interim Dividend

(I) Distributable Profits

For the first half of 2026, the Company recorded an undistributed profits as of June 30, 2026 of consolidated amount of RMB11,059,419,195.40, while the parent company realised an undistributed profits as of June 30, 2026 of RMB6,184,462,987.68. The amounts are based on the undistributed profits at the beginning of 2026 (of the consolidated amount of RMB10,441,272,317.12; of the parent company of RMB6,301,978,745.93), plus net profit attributable to shareholders for the current period (of the consolidated amount of RMB763,630,227.88; of the parent company of RMB27,967,591.35), and deducting the profit distribution of RMB145,483,349.60 paid in the Reporting Period.

Pursuant to the lower of the undistributed profits in the consolidated financial statements and the parent company's financial statements, the actual distributable profit available to the Shareholders as of June 30, 2026 amounted to RMB6,184,462,987.68.

(II) Profit Distribution Plan

The interim profit distribution plan for the first half of 2026 proposed by the Board of the Company is as follows: a cash dividend of RMB0.2 (including tax) for every 10 shares will be distributed based on the total share capital of 8,076,077,727 shares as of July 31, 2026, after deducting the shares held in the repurchase special account, without issuing bonus shares or converting capital reserves into share capital. The Company plans to distribute an aggregate cash dividend of RMB161,521,554.54 (tax inclusive). If there is a change in the total share capital of the Company between the date of July 31, 2026 and the date of registration of the right to implement the profit distribution, the Company will adjust the total cash dividend amount according to the principle of unchanged distribution amount per share. This cash dividend is denominated and declared in RMB, with the A-share dividend to be distributed in RMB and the H-share dividend to be distributed in Hong Kong dollars. The actual amount of H-share dividend to be distributed will be calculated based on the exchange rate which shall be the middle exchange rate of RMB against HKD published by the People's Bank of China for the one business day preceding the date of the twenty-eighth meeting of the sixth term of the Board of the Company.

Reference is made to the Company's announcement dated March 28, 2026 issued on the Shenzhen Stock Exchange, in relation to, among other matters, the resolution passed at the 2025 annual general meeting of the Company authorising the Board to determine the 2026 interim profit distribution plan.

Pursuant to the authorisation granted by the 2025 annual general meeting of the Company, the Company's interim profit distribution proposal for 2026 is not subject to consideration and approval at the general meeting of the Company. The Company will implement this profit distribution plan within two months after obtaining the approval at the Board meeting. The cash dividend is expected to be paid to shareholders on or before Tuesday, October 27, 2026.

(III) Closure of Register of Members of H Shares for the 2026 Interim Dividend Distribution

For determining the entitlement to the proposed 2026 Interim Dividend, the register of members of H Shares will be closed from Monday, 14 September 2026 to Thursday, 17 September 2026, both days inclusive, during which period no transfer of H Shares will be registered. The record date (the "**Record Date**") for determining the entitlement of the holders of H Shares (the "**H Shareholders**") to the proposed 2026 Interim Dividend will be Thursday, 17 September 2026. In order to qualify for entitlement to the proposed 2026 Interim Dividend, the H Shareholders whose transfers of H Shares have not been registered shall lodge the transfer instruments together with the relevant share certificates with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 11 September 2026.

The Company will withhold and pay relevant income tax strictly in accordance with the relevant laws or requirements of the relevant government departments and strictly based on the register of members of H Shares on the Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any disputes over the mechanism of withholding payment of relevant income tax.

(IV) Tax on Dividend

Withholding and Payment of Corporate Income Tax for Non-Resident Enterprise Shareholders

According to Corporate Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) and the relevant implementing rules which came into effect on 1 January 2008, the Company is required to withhold and pay corporate income tax at the rate of 10% before distributing dividends to non-resident enterprise Shareholders whose names appear on the register of H Shareholders of the Company. Any H Shares registered in the name of non-individual H Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise Shareholders and, therefore, the dividends will be subject to the withholding and payment of corporate income tax. Should any H Shareholder wish to change its Shareholder status, please consult your agent or trust institution in relation to the relevant procedure. The Company will withhold and pay the corporate income tax strictly in accordance with the relevant laws and requirements of the relevant governmental departments and strictly based on what has been registered on the Company's register of H Shareholders on the Record Date.

Withholding and Payment of Individual Income Tax for Individual Foreign Shareholders

According to the regulation promulgated by the State Administration of Taxation of the People's Republic of China (Guo Shui Han [2011] No. 348)(中華人民共和國稅務總局國稅函[2011]348號), the Company is required to withhold and pay the individual income tax for its individual H Shareholders (the "**Individual H Shareholder(s)**") and the Individual H Shareholders are entitled to the relevant tax preferential treatments according to the tax agreements between those countries where the Individual H Shareholders are residents and the People's Republic of China (the "**PRC**") and the provisions in respect of tax arrangements between Chinese Mainland and Hong Kong (Macau). The Company would withhold and pay the individual income tax at the tax rate of 10% on behalf of the Individual H Shareholders who are Hong Kong residents, Macau residents or residents of those countries having agreements with the PRC for individual income tax rate in respect of dividends of 10%. For Individual H Shareholders who are residents of those countries having agreements with the PRC for individual income tax rates lower than 10% in respect of a dividend, the Company would make applications on their behalf to seek entitlement of the relevant agreed preferential treatments under Measures for the Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Tax Agreements (Announcement No. 35 of the State Taxation Administration (2019))《非居民納稅人享受稅收協議待遇管理辦法》((國家稅務總局公告2019年第35號)) if such Shareholders claim refund of the amount in excess of the individual income tax payable under the tax agreements, provided that the relevant Shareholders shall submit the relevant documents and data in accordance with the requirements of the relevant tax agreements in a timely manner and provide supplemental information on their entitlements of treatments under the relevant agreements. The Company would assist with the refund of the paid amount in excess of the tax paid and payable under the tax agreements subject to approval of the competent tax authority. For Individual H Shareholders who are residents of those countries having agreements with the PRC for individual income tax rates in respect of a dividend higher than 10% but lower than 20%, the Company would withhold the individual income tax at the agreed effective tax rate. For Individual H Shareholders who are residents of those countries without any taxation agreements with the PRC or having agreements with the PRC for individual income tax in respect of a dividend of 20% and other circumstances, the Company would withhold the individual income tax at the tax rate of 20%.

The Company will determine the country of domicile of an Individual H Shareholder based on the registered address as recorded in the register of members of the Company and will accordingly withhold and pay the individual income tax. The Company shall not entertain any claims or be held liable for any disputes arising from the late determination or inaccuracy of the status of the Shareholders in relation to the withholding and payment of tax.

Profit Distribution to Investors of Northbound Trading

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares listed on the Shenzhen Stock Exchange ("**Northbound Trading**"), their dividends will be distributed in RMB by the Company through the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominees holding such shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate which is lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the relevant tax authorities regulating the Company for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded. The Record Date and the date of distribution of dividends and other arrangements for the investors of Northbound Trading will be the same as those for the holders of A Shares.

Profit Distribution to Investors of Southbound Trading

For investors of the Shanghai Stock Exchange (including enterprises and individuals) and the Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares which are listed on the Hong Kong Stock Exchange ("**Southbound Trading**"), the Shanghai Branch of China Securities Depository and Clearing Corporation Limited and the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominees of the holders of H Shares for Southbound Trading, will receive cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H Shares of Southbound Trading through its depositary and clearing system. The cash dividends for the investors of H Shares of Southbound Trading will be paid in RMB. Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81)(關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知)(財稅[2014]81號) and Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127)(關於深港股票市場交易互聯互通機制試點有關稅收政策的通知)(財稅[2016]127號), for dividends received by domestic investors from investing in H Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, H-share enterprises shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. H-share enterprises will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves. The Record Date and the date of distribution of dividends and other arrangements for the investors of Southbound Trading will be the same as those for the H Shareholders.

All investors are requested to read this announcement carefully. Shareholders should seek advice from their tax advisors regarding the PRC, Hong Kong and other tax implications for their holding and disposal of the H Shares.

SIGNIFICANT EVENTS

Adoption of the Accounting Standards for Business Enterprises

The Company is listed on both the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, and adopted China Accounting Standards for Business Enterprises (the "**CASBE**") and International Financial Reporting Standards for the preparation of financial reports, prospectuses and disclosure of relevant financial information respectively, at the listing application stage.

According to the "Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》)" issued by the Hong Kong Stock Exchange in December 2010, Mainland China incorporated issuers listed in Hong Kong are allowed to prepare their financial statements using CASBE, and accounting firms in Mainland China recognized by the Ministry of Finance of the PRC and the CSRC are permitted to provide services using the PRC certified public accountants auditing standards for those issuers.

To ensure the consistency between the information disclosures of A shares and Hong Kong shares, to enhance working efficiency, and to reduce the audit fees, the Board considered and approved at the 26th meeting of the sixth session of the Board on July 10, 2026 that the Company's proposed adoption of CASBE for the preparation of financial reports and disclosure of related financial information on a uniform basis commencing from the interim financial report for the period ended June 30, 2026. In accordance with the laws and regulations of the PRC and the articles of association of the Company, the relevant matters are not required to be submitted to the shareholders' meeting of the Company for consideration.

For details, please see the announcement of the Company dated July 10, 2026.

SUBSEQUENT EVENTS

Cessation to Re-Appoint Overseas Financial Report Auditor

Rongcheng (Hong Kong) CPA Limited was the Company's overseas auditor at the listing application stage to provide audit services to the Company in respect of the preparation of financial reports in accordance with International Financial Reporting Standards for a term commencing from the date of consideration and approval at the 2025 fifth extraordinary shareholders' meeting of the Company held on November 14, 2025, to the conclusion of the initial public offering of the Company's H shares and listing on the Main Board of the Stock Exchange. In view of the Company's proposed uniform adoption of CASBE for the preparation of its financial reports and the fact that the Company's domestic financial report auditor, Rongcheng Certified Public Accountants (Special General Partnership), has been recognized by the Ministry of Finance of the PRC and the CSRC and is qualified to provide auditing services to Hong Kong-listed and Mainland incorporated issuers in accordance with Mainland auditing standards, the Board proposed to terminate the re-appointment of Rongcheng (Hong Kong) CPA Limited as the Company's overseas financial report auditor. The proposal of the cessation to re-appoint overseas financial report auditor has been approved at the 26th meeting of the sixth session of the Board convened on July 10, 2026.

For details, please see the announcements of the Company dated July 10, 2026.

Adjustment to the 2026 A-Share Repurchase Plan and Repurchase of A Shares

On March 26, 2026, the Board approved the 2026 A-Share Repurchase Plan (the "**Repurchase Plan**"). For details, please see "Purchase, Sale or Redemption of the Company's Listed Securities" in this report.

On July 17, 2026, the 27th meeting of the sixth session of the Board approved the adjustment to the Repurchase Plan. The total repurchase amount has been adjusted from "not less than RMB200 million (inclusive) and not more than RMB400 million (inclusive)" to "not less than RMB400 million (inclusive) and not more than RMB800 million (inclusive)". The upper limit of the repurchase price remains unchanged at RMB21.08 per A Share (inclusive). The other terms of the Repurchase Plan remain unchanged.

Based on the adjusted upper limit of total repurchase funds of RMB800 million (inclusive) and the repurchase price upper limit of RMB21.08 per A Share, the estimated number of A Shares to be repurchased is approximately 37,950,664 shares, representing approximately 0.47% of the Company's current total issued share capital; based on the adjusted lower limit of total repurchase funds of RMB400 million (inclusive) and the repurchase price upper limit of RMB21.08 per A Share, the estimated number of A Shares to be repurchased is approximately 18,975,333 shares, representing approximately 0.23% of the Company's current total issued share capital.

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

During the Reporting Period, the 2026 A-Share Repurchase Plan approved by the Board on March 26, 2026, the Company continued to repurchase a portion of RMB ordinary shares (A shares) issued by the Company through centralised competitive bidding. As at June 30, 2026, the Company had cumulatively repurchased 22,199,300 A Shares via the designated repurchase securities account by way of centralised competitive bidding, representing approximately 0.3% of the Company's the then total A Share capital for the time being. The highest transaction price was RMB14.43 per share and the lowest transaction price was RMB13.68 per share. The total transaction amount was RMB311,132,511.58 (excluding transaction fees).

Subsequently, the Company had repurchased a total of 10,176,500 A Shares and held as treasury shares at an aggregate consideration (excluding transaction cost) of RMB127,972,006.73 in July.

Save as otherwise disclosed in this announcement, during the Reporting Period, the Company and any of its subsidiaries did not purchase, sell, or redeem any of the Company's listed securities (including sales of treasury shares (as defined under the Listing Rules)). As of the date of this announcement, the Company held 44,207,700 treasury shares, all of which were A Shares and to be used for the Company's employee share incentive plan.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, being Dr. Lau Kin Shing Charles, Dr. Cai Yuanqing and Mr. Ruan Chao, with Dr. Lau Kin Shing Charles (who possesses the appropriate professional accounting and related financial management expertise) as the chairperson of the Audit Committee.

The Audit Committee has reviewed the unaudited interim results and interim report of the Group for the six months ended June 30, 2026 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members.

PUBLICATION OF THE 2026 INTERIM RESULTS AND INTERIM REPORT

This 2026 interim results announcement is available on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.lingyiitech.com. The interim report of the Company for the six months ended June 30, 2026 will be despatched to the shareholders upon their request and published on the respective websites of the Stock Exchange and the Company in accordance with the requirements under the Listing Rules.

By order of the Board
LINGYI iTECH (GUANGDONG) COMPANY
Ms. Zeng Fangqin
Chairwoman of the Board, executive Director and General Manager

Hong Kong, August 28, 2026

As at the date of this announcement, the Board comprises: (i) Ms. Zeng Fangqin, Mr. Jia Shuangyi and Ms. Huang Jinrong as executive Directors; (ii) Ms. Wei Zhenghui as non-executive Director; and (iii) Dr. Lau Kin Shing Charles, Dr. Cai Yuanqing and Mr. Ruan Chao as independent non-executive Directors.