**Zhejiang Laifual Drive Co., Ltd.**
**浙江來福諧波傳動股份有限公司**
*(A joint stock company incorporated in the People's Republic of China with limited liability)*
**(Stock Code: 03952)**

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

The Board announces the unaudited interim results of the Group for the six months ended 30 June 2026 together with unaudited comparative figures for the corresponding period of 2025. The unaudited interim financial report of the Group for the Reporting Period has been reviewed by the Audit Committee and the auditor of the Company.

## FINANCIAL HIGHLIGHTS

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Revenue | **142,210** | 78,973 |
| Gross profit | **38,831** | 15,637 |
| Loss for the period | **(71,874)** | (83,737) |
| **Non-IFRS Measures:** | | |
| Adjusted net loss*(Note 1)* | **(4,124)** | (11,212) |
| EBITDA*(Note 2)* | **(55,352)** | (72,243) |
| Adjusted EBITDA*(Note 2)* | **12,398** | 282 |
| Basic loss per share | **(0.79)** | (0.95) |
| Diluted loss per share | **(0.79)** | (0.95) |

*Note 1:* We define adjusted net loss (non-IFRS measure) as loss for the period net of (i) listing expenses, (ii) change in the carrying amount of redemption liabilities, and (iii) equity-settled share-based payments expenses.

*Note 2:* We define EBITDA (non-IFRS measure) as loss for the period adjusted by adding (i) finance costs, (ii) depreciation charge; and (iii) amortization cost of intangible assets, and subtracting interest income on deposits. We add back (i) listing expenses, (ii) change in the carrying amount of redemption liabilities, and (iii) equity-settled share-based payments expenses to EBITDA (non-IFRS measure) to derive adjusted EBITDA (non-IFRS measure).

# MANAGEMENT DISCUSSION AND ANALYSIS

## I. BUSINESS REVIEW

We are a provider of core components for robotic precision transmission in China. We offer a product portfolio spanning from harmonic reducers, joint modules and robotic arms to automated workstations, with our products primarily applied in humanoid robots and industrial robots. Our core strengths stem from our expertise in harmonic reducers and are underpinned by our in-house R&D capabilities. Through years of operation, we have built core competencies in product design, electric actuation and drive, production technologies and cost control. We are evolving from a provider of harmonic reducers to a provider of precision transmission solutions, extending the application of our technologies and products to a broader market.

During the Reporting Period, the Group continued to expand its business scale and recorded revenue of RMB142.2 million, representing an increase of 80.1% from RMB79.0 million for the corresponding period in 2025. The increase in revenue was primarily driven by the increase in shipment volume of harmonic reducers. As humanoid robot customers gradually progressed from product validation to bulk procurement, demand for, and the revenue contribution from, small-sized harmonic reducers further increased. During the Reporting Period, the Group recorded gross profit of RMB38.8 million, representing an increase of 148.3% from RMB15.6 million for the corresponding period in 2025, and a gross profit margin of 27.3%, as compared with 19.8% for the corresponding period in 2025. As our sales scale expanded, production capacity at our new production facility was gradually ramped up and our product mix continued to improve, the Group progressively realised economies of scale. During the Reporting Period, the Group recorded loss for the period of RMB71.9 million, as compared with RMB83.7 million for the corresponding period in 2025. Excluding equity-settled share-based payments expenses, change in the carrying amount of redemption liabilities and listing expenses, the Group recorded an adjusted loss of RMB4.1 million, representing a decrease of 63.2% from RMB11.2 million for the corresponding period in 2025.

## 1. Core products and solutions

### *Harmonic reducers and other precision components*

Harmonic reducers are the Group's core products and are widely used in robotic joints and other precision transmission applications. During the Reporting Period, revenue from harmonic reducers and other precision components amounted to RMB119.4 million, accounting for 83.9% of the Group's revenue. Shipment volume reached 239.5 thousand units, representing an increase of 112.0% from the corresponding period in 2025. Such growth was primarily driven by increased demand from customers in the humanoid robot and collaborative robot sectors.

We continued to optimise tooth profile design, material processing and production processes, and enhanced our product coverage from small-sized models to high-payload models. Driven by growing demand from humanoid robot applications, the proportion of small-sized harmonic reducers (specifications of 52 mm or below) in our total shipment volume increased from 5.1% for the corresponding period in 2025 to 10.6% for the Reporting Period, further shifting our product mix towards humanoid robot applications. As a result of the change in product mix, coupled with the positive impact of economies of scale and upgrades in production processes, the unit cost of the Group's harmonic reducer products was further optimised from RMB482 per unit for the corresponding period in 2025 to RMB351 per unit for the Reporting Period, which further consolidating the cost advantage of the Company. The gross profit margin of harmonic reducers and other metal components increased from 20.7% for the corresponding period in 2025 to 29.6% for the Reporting Period.

### *Joint modules and robotic arms*

The Group's joint modules integrate core components such as harmonic reducers, motors and encoders, and may be further assembled into robotic arms, primarily addressing customers' needs for integration, lightweight design and rapid deployment. During the Reporting Period, revenue from joint modules and robotic arms amounted to RMB14.8 million, accounting for 10.4% of the Group's revenue. We continued to advance the in-house R&D of relevant core components and carried out product adaptation and customised development with customers, further enhancing our integrated solution capabilities.

***Automated workstations***

Leveraging our experience in flexible manufacturing and automation upgrades, the Group provides automated workstations integrating robotic arms, control systems and sensing modules. During the Reporting Period, revenue from automated workstations amounted to RMB7.9 million, accounting for 5.5% of the Group's revenue.

**2. Market applications and customer expansion**

The Group's harmonic reducers and other precision components are primarily applied in humanoid robots, industrial robots, collaborative robots and other high-precision applications. During the Reporting Period, revenue from each application scenario recorded growth, primarily attributable to the continued unleashing of downstream market demand, the gradual expansion of procurement scale by certain leading customers after completing product validation, and the successive adoption of new customer projects. The Group's customer coverage strategy is anchored on leading enterprises and, through stable delivery capabilities and a proven track record, penetrates small and medium-sized robot manufacturers, forming a pattern of "leading customers setting the pace + volume ramp-up among small and medium-sized customers". Against the backdrop of previously relatively constrained production capacity, we prioritised serving industry-leading customers, thereby forming precise insights into industry demand, ensuring that product R&D and iteration remained in step with industry development, and steadily building brand influence.

In terms of sales model, during the Reporting Period, revenue generated through the Group's direct sales and distributor sales channels accounted for approximately 63.1% and 36.9% of the Group's total revenue, respectively. The direct sales model primarily serves large-scale and leading customers, enabling the Group to participate deeply in product validation and customised development, while the distributor sales model broadens the Group's reach to small and medium-sized customers, customers in the joint and collaborative robot sectors, and those in other specialised application fields. Geographically, approximately 96.8% of the Group's revenue was derived from the PRC market, with the remaining 3.2% generated from overseas markets. During the Reporting Period, revenue attributable to the Group's five largest customers accounted for 55.8% of total revenue, while revenue attributable to its largest customer accounted for 17.2% of total revenue.

## 3. Production capacity and operational efficiency

Following the commencement of operation of the Group's self-owned production facility in Shaoxing, Zhejiang Province in August 2025, the facility gradually took over the production capacity of the former leased production facility. During the Reporting Period, the Group's capital expenditures on property, plant and equipment and intangible assets amounted to approximately RMB77.8 million (the first half of 2025: RMB58.2 million), primarily for the expansion of production capacity at its Shaoxing production facility and the procurement of production equipment. The Group continued to advance equipment installation and commissioning, process optimisation, employee training and production line efficiency enhancement, and steadily accelerated the ramp-up of production capacity. In the first half of 2026, the designed production capacity and actual production volume of harmonic reducers were 270.0 thousand units and 256.9 thousand units, respectively, representing a utilisation rate of 95.1%. During the Reporting Period, actual production volume increased by 127.8% as compared with the corresponding period in 2025. In July 2026, the designed production capacity of harmonic reducers reached 64.8 thousand units per month. The commencement of operation of the new production facility further optimised the Group's production line layout, level of automation and quality control capabilities, supporting the expansion of delivery scale and enhancement of production efficiency.

## 4. R&D and technological capabilities

R&D capabilities are fundamental to the Group's ability to maintain product competitiveness and expand application scenarios. The Group has established a collaborative R&D system comprising the Shaoxing R&D Centre, the Nanjing R&D Centre and the Laifual-Chongqing University Institute of Intelligent Precision Transmission jointly established with Chongqing University. As of 30 June 2026, the Group had 80 registered patents in China, comprising 51 invention patents, 26 utility model patents and 3 design patents. During the Reporting Period, R&D expenses amounted to RMB30.7 million (including share-based payments to technical personnel of RMB4.7 million), representing an increase of 62.7% from the corresponding period in 2025. Such expenses were primarily incurred for the optimisation of tooth profiles, materials and processes for harmonic reducers, as well as the R&D of products including joint modules, encoders and drivers. As at 30 June 2026, the Group had 144 R&D personnel, accounting for 18.8% of its total employees.

Through years of in-house R&D and mass production experience, the Group has established systematic technological barriers across key areas including tooth profile design, materials and heat treatment, precision machining and in-house bearing production, which have been effectively translated into cost competitiveness. Our independently developed patented tooth profile design forms the foundation of our product performance. Our composite material system and proprietary material formulations optimise raw material costs while maintaining product performance. Improvements to our gear skiving process have shortened the processing time for core components to less than 15 minutes, representing an efficiency level several times higher than mainstream industry processes. Key processes, including the production of non-standard bearings and heat treatment, are conducted in-house, effectively reducing external procurement costs and delivery risks. Our vertically integrated manufacturing system enables the Group's delivery capabilities to significantly outperform the industry average.

### 5. Listing and capital market milestone

The Company was listed on the Stock Exchange on 30 June 2026. The Listing has provided funding support for the Group to expand production capacity, strengthen R&D and advance commercialisation, while further enhancing the Group's brand influence and corporate governance. Details of the use of net proceeds from the H shares of the Company listed on the Stock Exchange on 30 June 2026 are set out in the section headed "Use of Proceeds" in this announcement.

## II. OUTLOOK

Looking ahead to the second half of 2026, as humanoid robots gradually progress from technology validation towards commercial deployment, the intelligent upgrade of industrial robots continues and the localisation of core precision transmission components advances, the growth momentum of the robotic precision transmission market is expected to be further unleashed. The Group will seize opportunities arising from downstream market development, continue to ramp up production capacity, enhance its mass production and delivery capabilities, accelerate the iteration of core products, and leverage its cost advantages to expand its product portfolio and market coverage, thereby further increasing the Group's market share in China's harmonic reducer market.

### 1. Steadily advance production capacity expansion

To meet the continued growth in market demand from the humanoid robot and industrial robot sectors, the Group will, taking into account order progress and the intended use of proceeds from the Global Offering, orderly advance the construction of new production facilities and production lines, equipment procurement and talent allocation, and accelerate the ramp-up of production capacity at the new production facility, with a target monthly production capacity of 80.0 thousand units by the end of 2026. Benefiting from robust demand in the downstream market, the outstanding orders for harmonic reducers of the Group exceeded 400.0 thousand units as of 31 July 2026. We will also continue to enhance production automation, supply chain coordination and quality control capabilities, further strengthen our mass production and delivery capabilities and consolidate our cost competitiveness, thereby laying a solid foundation for increasing our market share.

2. **Continue to strengthen R&D and product portfolio**

The Group will closely follow the market trend towards lightweight design, high precision and high reliability in humanoid robots, continue to iterate the materials, tooth profiles, processes and specifications of harmonic reducers, and further enhance the performance and cost competitiveness of its core products. At the same time, we will advance the R&D and commercialisation of products such as high-precision planetary reducers and joint modules, enrich our product portfolio, enhance our integrated solution capabilities and customer value, and expand the addressable market for precision transmission solutions.

3. **Deepen customer cooperation and commercialisation**

The Group will fully leverage its market-validated product performance, rapid response capabilities and mass production and delivery capabilities to deepen cooperation with leading customers in the humanoid robot and industrial robot sectors. We will actively participate in customers' product development, specification customisation and mass production ramp-up, and further increase our share of supply to existing customers. At the same time, we will accelerate the expansion of our customer base across other robotics and high-end equipment sectors and promote the adoption of our products in a broader range of application scenarios. Given that the humanoid robot market remains at a stage of rapid evolution, the Group will closely monitor customers' commercialisation progress and flexibly allocate production capacity and R&D resources, maintaining investment flexibility while capturing market opportunities.

4. **Expand overseas markets**

While consolidating its market position in China, the Group will gradually enhance its overseas sales and service network, focus on key markets with an established robotics industry base and demand for precision transmission solutions, and advance product validation, customer adoption and order conversion among leading overseas customers. We will expand overseas customer coverage through channel cooperation and brand building, and foster our overseas business as a new growth driver. Any overseas production footprint will be advanced prudently after comprehensive consideration of customer demand, supply chain efficiency, costs and the regulatory environment.

## III. FINANCIAL REVIEW

### Revenue

The Group's revenue increased by 80.1% from RMB79.0 million for the six months ended 30 June 2025 to RMB142.2 million for the Reporting Period, primarily attributable to sales growth driven by the increase in harmonic reducer shipments from approximately 113,000 units in 30 June 2025 to approximately 239,000 units in 30 June 2026.

### Cost of Sales

The Group's cost of sales increased by 63.2% from RMB63.3 million for the six months ended 30 June 2025 to RMB103.4 million for the Reporting Period, primarily due to sales growth driven by higher harmonic reducer shipments.

### Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's gross profit amounted to RMB38.8 million for the Reporting Period, as compared with RMB15.6 million for the six months ended 30 June 2025 representing a gross profit margin of 27.3% and 19.8%, respectively. Cost of sales for the six months ended 30 June 2026 included RMB1.6 million of equity-settled share-based payments expenses. Excluding share-based payments expenses, the gross profit margin for 30 June 2026 would have been 28.4%.

### Other Net Income

The Group's other net income, primarily comprising government grants, interest income and exchange gain/(loss). Other net income for the Reporting Period remained stable as compared with the amount for the six months ended 30 June 2025.

### Selling and Distribution Expenses

The Group's selling and distribution expenses increased significantly from RMB3.4 million for the six months ended 30 June 2025 to RMB15.2 million for the Reporting Period, primarily due to an increase in share-based payments expenses for sales personnel of RMB10.4 million.

**Administrative Expenses**

The Group's administrative expenses increased significantly from RMB5.9 million for the six months ended 30 June 2025 to RMB33.2 million for the Reporting Period, primarily attributable to an increase in management costs as a result of the expansion of the Group's business scale, an increase in share-based payments expenses and the listing expenses incurred in connection with the Global Offering.

**Research and Development Expenses**

The Group's research and development expenses increased by 62.7% from RMB18.9 million for the six months ended 30 June 2025 to RMB30.7 million for the Reporting Period, primarily due to an increase in research and development investment, an increase in the number of research and development personnel and an increase in share-based payments expenses.

**Loss for the Period**

As a result of the foregoing, the Group recorded a loss for the period of RMB71.9 million for the Reporting Period, as compared with a loss of RMB83.7 million for the six months ended 30 June 2025.

**Non-IFRS Measure**

To supplement the Group's condensed consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted net loss (non-IFRS measure) and EBITDA (non-IFRS measure)/adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, the IFRS Accounting Standards. We believe that such non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that such measures provide useful information to investors and others in understanding and evaluating the consolidated results of operations in the same manner as they help our management. However, the presentation of adjusted net loss (non-IFRS measure) and EBITDA (non-IFRS measure)/adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, the results of operations or financial condition as reported under IFRS Accounting Standards.

The following table sets forth a reconciliation of the Group's loss for the period to adjusted net loss (non-IFRS measure) for the periods indicated:

| | For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Loss for the period | **(71,874)** | (83,737) |
| Add: Listing expenses | **16,987** | – |
| Add: Change in carrying amount of redemption liabilities | **31,428** | 72,525 |
| Add: Equity-settled share-based payments expenses | **19,335** | – |
| **Adjusted net loss (non-IFRS measure)** | **(4,124)** | (11,212) |

The following table sets forth a reconciliation of the Group's loss for the period to EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) for the periods indicated:

| | For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Loss for the period | **(71,874)** | (83,737) |
| Add: | | |
| – Finance costs | **3,350** | 539 |
| – Depreciation charge of property, plant and equipment and right-of-use assets | **12,965** | 10,900 |
| – Amortization cost of intangible assets | **844** | 879 |
| Less: | | |
| – Interest income on deposits | **(637)** | (824) |
| **EBITDA (non-IFRS measure)** | **(55,352)** | (72,243) |
| Add: | | |
| – Listing expenses | **16,987** | – |
| – Change in the carrying amount of redemption liabilities | **31,428** | 72,525 |
| – Equity-settled share-based payments expenses | **19,335** | – |
| **Adjusted EBITDA (non-IFRS measure)** | **12,398** | 282 |

**Liquidity and Financial Resources**

We have historically financed our capital expenditures and working capital requirements principally with funds from equity financing, cash generated from the operations and borrowings. As of 30 June 2026, the Group's cash and cash equivalents and financial assets measured at fair value through profit or loss amounted to RMB1,015.4 million, as compared with RMB68.8 million as of 31 December 2025. As of 30 June 2026, the Group's bank and other borrowings amounted to RMB300.8 million (31 December 2025: RMB195.9 million), of which RMB173.4 million were repayable within one year.

The following table sets forth a summary of our cash flows for the periods indicated:

| | **For the six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Net cash used in operating activities | **(20,851)** | (3,725) |
| Net cash used in investing activities | **(77,334)** | (87,957) |
| Net cash generated from financing activities | **1,044,654** | 53,607 |
| Cash and cash equivalents at 1 January | **33,753** | 70,761 |
| Effect of foreign exchange rates changes | **(151)** | 85 |
| **Cash and cash equivalents at 30 June** | **980,071** | 32,771 |

### Indebtedness

Our indebtedness during the Reporting Period primarily consisted of loans and borrowings, lease liabilities and redemption liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated.

| | **At 30 June 2026** | At 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Current** | | |
| Interest-bearing borrowings | **173,444** | 104,813 |
| Lease liabilities | **747** | 722 |
| Redemption liabilities | **–** | 1,207,400 |
| **Total current** | **174,191** | 1,312,935 |
| **Non-current** | | |
| Interest-bearing borrowings | **127,359** | 91,128 |
| Lease liabilities | **486** | 864 |
| **Total non-current** | **127,845** | 91,992 |
| **Total indebtedness** | **302,036** | 1,404,927 |

### Gearing Ratio

As of 30 June 2026, the Group's gearing ratio, calculated as total indebtedness divided by total equity/(deficit), was 23.1% (31 December 2025: (171.2%)). The significant change was primarily attributable to the derecognition of the redemption liabilities upon the Listing and the net proceeds received from the Global Offering.

### Financial Risks

The Group is exposed to various types of financial risks, including foreign currency risk, interest rate risk, credit risk and liquidity risk, in the normal course of business. Following the Global Offering, a portion of the Group's cash and cash equivalents is denominated in Hong Kong dollars, and the Group monitors its foreign currency exposure on an ongoing basis.

## Exposure to Exchange Rate Fluctuation

The Company's functional currency is RMB. The Company is exposed to foreign exchange risk through operation and financing activities of the Group. As at 30 June 2026, the Group has cash and cash equivalents denominated in Hong Kong dollars and therefore bears the risk of movements in exchange rates between the Hong Kong dollars and RMB. We currently do not engage in hedging activities designed or intended to manage foreign exchange rate risk. However, we will continue to monitor changes in currency exchange rates and will take necessary measures to mitigate exchange rate impact.

## Contingent Liabilities

As of 30 June 2026, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group that was likely to have a material and adverse effect on the business, financial condition or results of operations of the Group.

## Employees and Emolument Policy

As of 30 June 2026, the Group had 767 employees (31 December 2025: 574). The Group's total staff costs for the Reporting Period amounted to RMB66.5 million (for the six months ended 30 June 2025: RMB24.0 million). The Group's emolument policy is designed to attract, retain and motivate talented individuals. The remuneration of the Group's employees is determined with reference to their qualifications, experience, performance and prevailing market conditions. In December 2025, the Company adopted a share incentive plan to incentivise its key employees and Directors. Please refer to Note 12(c) to the unaudited interim financial report.

## Use of Proceeds

The Global Offering was completed and the H Shares were listed on the Stock Exchange on 30 June 2026, being the last day of the Reporting Period. The net proceeds from the Global Offering, after deducting underwriting commissions and other capitalised listing expenses in connection with the Global Offering, amounted to approximately HK$1,087.0 million.

As the Listing took place on the last day of the Reporting Period, none of the net proceeds from the Global Offering had been utilised as of 30 June 2026. The Company intends to apply the net proceeds in the manner consistent with the proposed applications described in the section headed "Future Plans and Use of Proceeds" in the Prospectus. As of the date of this interim results announcement, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above, we will only deposit the unused net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or applicable laws and regulations in other jurisdictions). For details of the breakdown of the use of proceeds, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

**Significant Investments Held**

As of 30 June 2026, the Group did not hold any significant investments in the equity interest of other companies.

**Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures**

During the Reporting Period, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures.

**Future Plans for Material Investments or Capital Assets**

Save as disclosed in the Prospectus and in this interim results announcement, the Group did not have any concrete plan for material investments or acquisition of capital assets as of the date of this interim results announcement.

**Pledge of Assets**

As at 30 June 2026, the bank loans drawn down by the Group totaling RMB53.0 million were secured by the patents of the Group.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*for the six months ended 30 June 2026 - unaudited*
*(Expressed in Renminbi)*

| | Note | Six months ended 30 June | |
|---|---|---|---|
| | | **2026** | 2025 |
| | | ***RMB'000*** | *RMB'000* |
| **Revenue** | *3* | **142,210** | 78,973 |
| Cost of sales | | **(103,379)** | (63,336) |
| **Gross profit** | | **38,831** | 15,637 |
| Other net income | *4* | **3,918** | 4,048 |
| Selling and marketing expenses | | **(15,236)** | (3,416) |
| Administrative expenses | | **(33,178)** | (5,871) |
| Research and development costs | | **(30,739)** | (18,897) |
| Impairment losses on trade and other receivables | | **(692)** | (2,174) |
| **Loss from operations** | | **(37,096)** | (10,673) |
| Finance costs | *5(a)* | **(3,350)** | (539) |
| Change in the carrying amount of redemption liabilities | *11* | **(31,428)** | (72,525) |
| **Loss before taxation** | *5* | **(71,874)** | (83,737) |
| Income tax | *6* | **–** | – |
| **Loss for the period** | | **(71,874)** | (83,737) |
| Loss attributable to equity shareholders of the Company | | **(71,874)** | (83,737) |
| **Loss per share** | *7* | | |
| Basic and diluted *(RMB)* | | **(0.79)** | (0.95) |
| Other comprehensive income for the period | | **–** | – |
| **Total comprehensive income for the period** | | **(71,874)** | (83,737) |
| Total comprehensive income attributable to equity shareholders of the Company | | **(71,874)** | (83,737) |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*at 30 June 2026 - unaudited*

*(Expressed in Renminbi)*

| | *Note* | **At 30 June 2026** *RMB'000* | At 31 December 2025 *RMB'000* |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **257,350** | 219,476 |
| Right-of-use assets | | **18,368** | 18,913 |
| Intangible assets | | **2,043** | 1,832 |
| Other non-current assets | *8* | **27,619** | 14,887 |
| Time deposits with banks | | **–** | 41,702 |
| | | **305,380** | 296,810 |
| **Current assets** | | | |
| Inventories | | **137,609** | 111,521 |
| Trade and other receivables | *8* | **280,125** | 238,537 |
| Time deposits with banks | | **42,237** | – |
| Financial assets measured at fair value through profit and loss ("**FVPL**") | | **35,369** | 35,078 |
| Restricted cash | | **4,686** | 6,345 |
| Cash and cash equivalents | | **980,071** | 33,753 |
| | | **1,480,097** | 425,234 |
| **Current liabilities** | | | |
| Interest-bearing borrowings | *9* | **173,444** | 104,813 |
| Trade and other payables | *10* | **134,349** | 111,458 |
| Contract liabilities | | **2,107** | 2,634 |
| Lease liabilities | | **747** | 722 |
| Redemption liabilities | *11* | **–** | 1,207,400 |
| | | **310,647** | 1,427,027 |

| | Note | At 30 June 2026 RMB'000 | At 31 December 2025 RMB'000 |
|---|---|---|---|
| **Net current assets/(liabilities)** | | **1,169,450** | (1,001,793) |
| **Total assets less current liabilities** | | **1,474,830** | (704,983) |
| **Non-current liabilities** | | | |
| Interest-bearing borrowings | *9* | **127,359** | 91,128 |
| Lease liabilities | | **486** | 864 |
| Deferred income | | **37,158** | 23,656 |
| | | **165,003** | 115,648 |
| **NET ASSETS/(LIABILITIES)** | | **1,309,827** | (820,631) |
| **CAPITAL AND RESERVES** | *12* | | |
| Share capital | | **103,399** | 89,957 |
| Reserves | | **1,206,428** | (910,588) |
| **TOTAL EQUITY/(DEFICIT)** | | **1,309,827** | (820,631) |

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

*(Expressed in Renminbi unless otherwise indicated)*

## 1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on 28 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted for preparing the Group's historical financial information included in the accountant's report as set out in Appendix I to the prospectus of the Company dated 22 June 2026, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Zhejiang Laifual Drive Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") since the consolidated financial statements for the year ended 31 December 2025. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

## 2 Changes in accounting policies

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to IFRS 9, *Financial instruments and IFRS 7, Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements. The amendments do not have material impact on the Group's consolidated financial statements for the periods presented.

## 3 Revenue and segment reporting

### *(a) Disaggregation of revenue*

The Group principally derives revenues from sales of harmonic reducers and other precision components, joint modules and robotic arms and automated workstations.

Disaggregation of revenue from contracts with customers by major products and the timing of revenue recognition is as follows:

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| **Revenue from contracts with customers within the scope of IFRS 15 and recognised at a point in time** | | |
| Sales of products | | |
| – Harmonic reducers and other precision components | **119,364** | 65,658 |
| – Joint modules and robotic arms | **14,834** | 12,645 |
| – Automated workstations | **7,887** | - |
| | **142,085** | 78,303 |
| Others | **125** | 670 |
| Total | **142,210** | 78,973 |

### *(b) Segment and geographical information*

The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the founder of the Group who reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. Accordingly, no reportable segment information is presented.

## 3 Revenue and segment reporting (continued)

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods were delivered or the services were provided.

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Chinese Mainland | **137,623** | 76,579 |
| Overseas | **4,587** | 2,394 |
| | **142,210** | 78,973 |

The Group's non-current assets, including property, plant and equipment and intangible assets are all located in the PRC, and accordingly, no geographical information of non-current assets is presented.

## 4 Other net income

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Government grants (i) | **2,098** | 2,393 |
| Interest income on deposits | **637** | 824 |
| Net realised and unrealised gain on financial assets measured at FVPL | **392** | 230 |
| Net loss on disposal of property, plant and equipment and right-of-use assets | **(259)** | – |
| Net foreign exchange (loss)/gain | **(389)** | 452 |
| Others | **1,439** | 149 |
| | **3,918** | 4,048 |

(i) Government grants mainly represent operating subsidies and amortisation of government grants for capital expenditure including development and construction of property, plant and equipment.

## 5 Loss before taxation

Loss before taxation is arrived at after charging/(crediting):

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| ***(a) Finance costs*** | | |
| Interest on bank loans | **3,326** | 812 |
| Interest on lease liabilities | **24** | 18 |
| Total interest expense on financial liabilities not at fair value through profit or loss | **3,350** | 830 |
| Less: Interest expense capitalised into properties under development | **–** | (291) |
| | **3,350** | 539 |
| ***(b) Other items*** | | |
| Depreciation charge | | |
| – property, plant and equipment | **12,420** | 8,788 |
| – right-of-use assets | **545** | 2,112 |
| Amortisation cost of intangible assets | **844** | 879 |
| Impairment losses on trade and other receivables | **692** | 2,174 |
| Listing expenses | **16,987** | – |
| Cost of inventories | **120,391** | 61,306 |

## 6 Income tax

### *(a) Taxation in the consolidated statement of profit or loss represents:*

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Current tax | **–** | – |
| Deferred tax | **–** | – |
| | **–** | – |

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

*(i) Chinese Mainland*

Pursuant to the Corporate Income Tax Law of Chinese Mainland (the "**CIT**"), the Company and its subsidiaries incorporated in the PRC are subject to the CIT at a rate of 25% unless otherwise specified.

Pursuant to the PRC Corporate Income Tax Law and its relevant regulations, entities that qualified as a high and new technology enterprise ("**HNTE**") are entitled to a preferential income tax rate of 15%. The Company obtained its certificate of HNTE on 8 December, 2023, with a validity period of three years and therefore, is entitled to a preferential income tax rate of 15% during the validity period.

## 7 Loss per share

### (a) *Basic loss per share*

The calculation of basic loss per share is based on the loss attributable to the ordinary equity shareholder of the Company and the weighted average number of ordinary shares in issue during each of the reporting period, calculated as follows:

*Loss attributable to ordinary equity shareholders of the Company*

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Loss for the period attributable to all equity shareholders of the Company | **(71,874)** | (83,737) |
| Allocation of loss for the period attributable to ordinary shares with redemption rights | **48,393** | 57,684 |
| Loss for the period attributable to ordinary equity shareholders of the Company | **(23,481)** | (26,053) |

*Weighted average number of ordinary shares*

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***'000*** | *'000* |
| Issued ordinary shares at the beginning of the year | **89,957** | 87,924 |
| Effect of ordinary shares with redemption rights | **(60,233)** | (60,568) |
| Effect of issuance of H shares through initial public offering | **74** | – |
| Weighted average number of ordinary shares at the end of the period | **29,798** | 27,356 |

### (b) *Diluted loss per share*

Ordinary shares issued to investors with redemption rights (note 11) and over-allotment options in connection with the initial public offering (note 12(b)) were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. The Company does not have other potential ordinary shares and therefore diluted loss per share for each of the reporting period were the same as basic loss per share of the respective period.

## 8 Trade and other receivables

As of the end of the reporting period, the ageing analysis of trade and bills receivable (which are included in trade and other receivables), based on the receivables recognition date and net of loss allowance, is as follows:

| | **At 30 June 2026** | At 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Current assets** | | |
| Within 1 year | **257,117** | 213,125 |
| 1 to 2 years | **6,961** | 7,840 |
| Over 2 years | **2,540** | 1,216 |
| Trade and bills receivable, net of loss allowance | **266,618** | 222,181 |
| Bills receivable, measured at fair value through other comprehensive income ("**FVOCI**") | **4,105** | 1,824 |
| Prepaid listing expenses | **–** | 1,941 |
| Deposits and prepayments | **5,551** | 10,491 |
| Value added tax ("**VAT**") recoverable | **2,075** | 1,539 |
| Other receivables | **1,776** | 561 |
| | **280,125** | 238,537 |
| **Non-current assets** | | |
| Prepayment for purchase of property, plant and equipment | **27,619** | 14,887 |
| | **307,744** | 253,424 |

Trade receivables are due within 30-180 days from the date of billing.

## 9 Interest-bearing borrowings

| | **At 30 June 2026** | At 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within one year | **173,444** | 104,813 |
| After one year but within two years | **8,950** | 5,000 |
| After two years but within five years | **118,409** | 86,128 |
| | **300,803** | 195,941 |

## 9 Interest-bearing borrowings (continued)

| | **At 30 June 2026** *RMB'000* | At 31 December 2025 *RMB'000* |
|---|---|---|
| – Secured | **52,950** | 36,000 |
| – Unsecured | **247,853** | 159,941 |
| Total | **300,803** | 195,941 |

As at 30 June 2026, the bank loans drawn down by the Group totaling RMB52,950,000 (31 December 2025: RMB36,000,000) were secured by the patents of the Group. The carrying amount of these patents is nil as they have not been capitalised as intangible assets.

## 10 Trade and other payables

As of the end of the reporting period, the ageing analysis of trade creditors and bills payables (which are included in trade and other payables), based on the invoice date, is as follows:

| | **At 30 June 2026** *RMB'000* | At 31 December 2025 *RMB'000* |
|---|---|---|
| Within 1 year | **74,726** | 73,317 |
| After 1 year but within 2 years | **257** | 53 |
| After 2 years but within 3 years | **50** | 1 |
| Over 3 years | **4** | 3 |
| Total creditors and bills payable | **75,037** | 73,374 |
| Payables for purchase of property, plant and equipment | **5,066** | 7,289 |
| Payroll payables | **12,754** | 8,315 |
| Accrued listing expenses | **10,666** | 7,001 |
| Endorsement liabilities | **24,285** | 9,972 |
| Others | **6,541** | 5,507 |
| | **134,349** | 111,458 |

## 11 Redemption liabilities

| | At 30 June<br>2026<br>*RMB'000* |
|---|---|
| At the beginning of the period | **1,207,400** |
| Changes in the carrying amount of redemption liabilities | **31,428** |
| Termination of redemption rights | **(1,238,828)** |
| At the end of the period | **–** |

From September 2016 to December 2022, the Company conducted several rounds of financing by issuing registered capital to investors and granting them a right to put back the Company the registered capital acquired upon the occurrence of any of the following events:

(i) a qualified Initial Public Offering (the "**Qualified IPO**") has not been consummated by the Company by 31 December 2024;

(ii) the occurrence of a change in control of the Group or substantial obstacle from the Qualified IPO;

(iii) material breach of the transaction documents by the Group or its founders that cannot be remediated within 60 days;

(iv) the founder proposing not to serve in the Group or having integrity issues that leads to significant adverse impact on business operation of the Group and cannot be remediated within 60 days; and

(v) other events specified in the shareholders agreements, which are beyond the control of the Company.

In case of the occurrence of events of (iii) and (iv) as described above, the redemption amount is the respective subscription consideration plus a simple interest at 30% per annum for the period commencing from the original investment date to the redemption settlement date and deducting any dividends already paid.

In case of the occurrence of the other events as described above, the redemption amount is the respective subscription consideration plus a simple interest at 13% per annum for the period commencing from the original investment date to the redemption settlement date, and any declared but unpaid dividends.

## 11 Redemption liabilities (continued)

The redemption liabilities are measured at the highest amount expected to be paid to the investors upon redemption at the initial recognition and at the end of each reporting period. Any changes in the carrying amount of redemption liabilities were recorded in "Changes in carrying amount of redemption liabilities".

Pursuant to a supplemental agreement entered into in December 2025, on the date immediately before the date of the first submission, which was 1 January 2026, the redemption rights upon the occurrence of events of (iii) and (iv) as described above were irrevocably terminated. Accordingly, RMB410,210,000 of redemption liabilities were derecognised and reclassified into capital reserve.

On 30 June 2026, the Company has completed its qualified IPO (note 12(b)) and the remaining redemption rights were automatically terminated. Therefore, RMB828,618,000 of redemption liabilities were derecognised and reclassified into capital reserve.

## 12 Capital, reserves, and dividends

### *(a) Dividends*

No dividends were paid or declared by the Company during the six months ended 30 June 2026 and 2025.

### *(b) Share capital and share premium*

| | Number of ordinary shares *'000* | Share capital *RMB'000* | Share premium *RMB'000* |
|---|---|---|---|
| **Issued and fully paid** | | | |
| At 31 December 2025 and 1 January 2026 | 89,957 | 89,957 | 450,643 |
| Issuance of H shares through initial public offering (i) | 13,442 | 13,442 | 930,727 |
| At 30 June 2026 | 103,399 | 103,399 | 1,381,370 |

(i) On 30 June 2026, the Company issued 13,442,000 H shares of RMB1.00 each at a price of Hong Kong dollar ("**HK$**") 85.50 per share by way of the Hong Kong and international public offering (the "**Offering**"). Consequently, the share capital increased by RMB13,442,000, and the corresponding share premium increased by RMB930,727,000 (after deduction of listing expense of RMB54,113,000).

## 12 Capital, reserves, and dividends (continued)

### *(c) Equity settled share-based transactions*

In December 2025, the Group adopted a share incentive plan (the "**Incentive Plan**"), pursuant to which, 1,140,000 shares and 175,000 shares of the Company were granted to eligible employees and certain executive directors of the Group (the "**Participants**"), respectively. These shares are held by Jieyang Information Consulting Partnership (Limited Partnership) ("**Jieyang Information**"). Jieyang Information is controlled and managed by Zhang Jie, Chairman of the board of directors of the Company. The subscription price of these awarded shares is RMB8.60 per share.

The awarded shares granted to the Participants shall be vested upon the condition that the Participants remain in service upon the first anniversary of completion of an IPO of the Company. The share-based payment transactions were recognized over the vesting period.

None of the awarded shares were vested during the period ended 30 June 2026.

## 13 Non-adjusting events after the reporting period

On 25 July 2026, the over-allotment options in connection with the Offering were exercised by the underwriter of the Company, pursuant to which, an aggregate of 736,400 additional H shares of the Company were issued at HK$85.5 per share on 27 July 2026.

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

The H Shares of the Company were listed on the Stock Exchange on 30 June 2026.

On 27 July 2026, pursuant to the partially exercised Over-allotment Option, an aggregate of 736,400 H Shares (the "**Over-allotment Shares**"), representing approximately 0.71% of the total issued share capital of the Company before the exercise of the Over-allotment Option, were issued and allotted by the Company at HK$85.50 per H Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%), being the Offer Price per H Share under the Global Offering. The Over-allotment Shares were used to facilitate the delivery of part of the H Shares to the placee, who has agreed to delayed delivery of the relevant Offer Shares subscribed by it under the Global Offering. For details, please refer to the announcement of the Company dated 25 July 2026.

Save for the H Shares issued pursuant to the Global Offering and partial exercise of Over-allotment Option, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares, if any) during the period from the Listing Date up to the date of this interim results announcement.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors with effect from the Listing Date. Having made specific enquiries with all Directors, all Directors have confirmed that they have complied with the required standards set out in the Model Code from the Listing Date up to the date of this interim results announcement.

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance, which are crucial to the Company's development and the safeguarding of the interests of the Shareholders. The Company has applied the principles of good corporate governance and adopted the code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules as its own code of corporate governance with effect from the Listing Date. From the Listing Date up to the date of this interim results announcement, the Company has complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code, save for the deviation set out below.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company does not have a separate chairman and chief executive and Mr. Zhang Jie currently performs these two roles. The Board believes that vesting the roles of both the chairman of the Board and general manager in the same person has the benefit of (1) ensuring consistent leadership within the Company, (2) enabling more effective and efficient overall strategic planning for the Company, and (3) facilitating the flow of information between the management and the Board. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

The Board will continue to review the corporate governance structure and practices of the Company from time to time and will consider splitting the roles of the chairman of the Board and the general manager of the Company at a time when it is appropriate, taking into account the circumstances of the Group as a whole.

## CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

As of 30 June 2026, save as disclosed in this interim results announcement, the Company did not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

## CHANGES IN INFORMATION OF DIRECTORS

Mr. Huang He resigned as a non-executive Director with effect from 28 August 2026 in order to devote more time to his other business commitments and personal matters. For further details, please refer to the announcement of the Company dated 28 August 2026.

Save as disclosed in this interim results announcement, there was no change in the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the Prospectus.

## INTERIM DIVIDEND

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

## MATERIAL PROCEEDINGS AND ARBITRATION

During the Reporting Period, neither the Company nor any of its subsidiaries was involved in any material litigation or arbitration, and so far as the Directors are aware, no material litigation or claims were pending or threatened against the Company or any of its subsidiaries.

## EVENTS AFTER THE REPORTING PERIOD

Save as otherwise disclosed in this interim results announcement, there was no other significant events that may affect the Group since the end of the Reporting Period and up to the date of this interim results announcement.

## REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the CG Code. The Audit Committee comprises three Directors, namely Mr. Feng Yun, Dr. Li Jun and Ms. Tian Chunshan, with Ms. Tian Chunshan (being the independent non-executive Director with the appropriate professional qualifications) currently serving as the chairperson of the Audit Committee.

The Audit Committee has reviewed the unaudited interim financial report and the interim results of the Group for the six months ended 30 June 2026, and has discussed with the management of the Company the accounting principles and practices adopted by the Group and matters relating to risk management, internal control and financial reporting. The Audit Committee is of the view that the interim results of the Group for the six months ended 30 June 2026 have been prepared in compliance with the applicable accounting standards, the Listing Rules and all other applicable legal requirements, and that adequate disclosures have been made.

KPMG, the Company's auditor, has carried out a review of the Company's unaudited interim financial report for the six months ended 30 June 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Hong Kong Institute of Certified Public Accountants.

## PUBLICATION OF THE INTERIM RESULTS AND THE 2026 INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.laifualdrive.com. The 2026 interim report of the Company containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

## APPRECIATION

The Board would like to express its sincere gratitude to our Shareholders, investors, employees and business partners for their continuous support.

## DEFINITIONS

| | |
|---|---|
| "Audit Committee" | the audit committee of the Board |
| "Board" or "Board of Directors" | the board of Directors of the Company |
| "Company" | Zhejiang Laifual Drive Co., Ltd. (浙江來福諧波傳動股份有限公司) |

| | |
|---|---|
| "Corporate Governance Code" | the Corporate Governance Code in Appendix C1 to the Listing Rules |
| "Director(s)" | director(s) of the Company |
| "Global Offering" | the Hong Kong Public Offering and the International Offering described in the Prospectus |
| "Group," "we," or "us" | the Company and its subsidiaries |
| "H Share(s)" | ordinary Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, listed and traded on the Stock Exchange |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "IFRS Accounting Standards" | International Financial Reporting Standards, International Accounting Standards and Interpretations issued by International Financial Reporting Interpretations Committee |
| "Listing" | the listing of the Shares on the Main Board of the Stock Exchange |
| "Listing Date" | 30 June 2026, the date on which dealings in the H Shares commenced on the Stock Exchange |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time |
| "Model Code" | the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules |

| | |
|---|---|
| "PRC" | the People's Republic of China, excluding, for the purposes of this announcement, Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan |
| "Prospectus" | the prospectus of the Company dated 22 June 2026 |
| "Reporting Period" | the six months ended 30 June 2026 |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "R&D" | research and development |
| "Shareholder(s)" | holder(s) of Shares |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "%" | per cent |

By order of the Board
**Zhejiang Laifual Drive Co., Ltd.**
**Mr. Zhang Jie**
*Chairman of the Board and Executive Director*

Hong Kong, 28 August 2026

*As of the date of this announcement, the Board comprises: (i) Mr. Zhang Jie, Mr. Wu Di, Ms. Wang Haiying and Mr. Zhang Han as executive Directors; (ii) Mr. Cui Zhiyuan and Mr. Li Chengsheng as non-executive Directors; and (iii) Mr. Feng Yun, Dr. Li Jun, Mr. Lou Yu and Ms. Tian Chunshan as independent non-executive Directors.*