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

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 842)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2025	2024	
	RMB million	*RMB million*	**Changes**
Turnover	**8,438.4**	7,542.9	**+11.9%**
Gross profit	**864.4**	1,061.8	**-18.6%**
Profit for the Period	**69.5**	241.7	**-71.3%**
Profit attributable to owners of the parent	**93.7**	244.8	**-61.7%**
Basic earnings per share *(RMB)*	**0.07**	0.18	
Proposed interim dividend per share *(HK cents)*	**Nil**	4	

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Leoch International Technology Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (together the "**Group**") for the six months ended 30 June 2025 (the "**Period**") with comparative figures for the corresponding period in the year 2024. The unaudited interim condensed consolidated financial statements have been reviewed by the auditor of the Company, Ernst & Young, and the audit committee of the Company (the "**Audit Committee**").

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	**2025** **(Unaudited)** ***RMB'000***	2024 (Unaudited) *RMB'000*
REVENUE	*4*	**8,438,364**	7,542,913
Cost of sales		**(7,574,010)**	(6,481,141)
Gross profit		**864,354**	1,061,772
Other income and gains	*4*	**139,446**	65,877
Selling and distribution expenses		**(305,674)**	(246,262)
Administrative expenses		**(267,924)**	(222,257)
Research and development costs		**(150,138)**	(181,535)
Impairment losses on financial assets		**(26,304)**	(29,193)
Other expenses	*6*	**(13,376)**	(8,588)
Fair value gains/(losses) on financial instruments measured at fair value through profit or loss, net		**29,902**	(13,680)
Finance costs	*7*	**(153,745)**	(160,085)
PROFIT BEFORE TAX	*5*	**116,541**	266,049
Income tax expense	*8*	**(47,059)**	(24,302)
PROFIT FOR THE PERIOD		**69,482**	241,747

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Attributable to:			
Owners of the parent		**93,741**	244,819
Non-controlling interests		**(24,259)**	(3,072)
		69,482	241,747
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
Basic		**RMB0.07**	RMB0.18
Diluted		**RMB0.07**	RMB0.17

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
PROFIT FOR THE PERIOD	**69,482**	241,747
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	**400**	470
Income tax effect	**(100)**	(118)
	300	352
Exchange differences on translation of foreign operations	**(965)**	(4,069)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(665)**	(3,717)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences arising on translation of functional currency to presentation currency	**26,306**	(4,987)
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(256)**	(3)
Income tax effect	**64**	1
	(192)	(2)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**26,114**	(4,989)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**25,449**	(8,706)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**94,931**	233,041
Attributable to:		
Owners of the parent	**119,223**	236,252
Non-controlling interests	**(24,292)**	(3,211)
	94,931	233,041

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	**30 June 2025 (Unaudited) *RMB'000***	31 December 2024 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**3,396,436**	3,073,482
Investment property		**354,391**	363,475
Right-of-use assets		**575,650**	498,650
Goodwill		**3,711**	3,711
Other intangible assets		**842,303**	798,121
Equity investments designated at fair value through other comprehensive income		**1,137**	1,393
Financial assets at fair value through profit or loss		**336,007**	306,461
Deposits paid for purchase of items of property, plant and equipment		**65,009**	63,383
Deferred tax assets		**124,194**	91,241
Total non-current assets		**5,698,838**	5,199,917
CURRENT ASSETS			
Inventories	*12*	**3,494,467**	3,365,229
Trade receivables	*13*	**3,974,545**	3,704,278
Debt investments at fair value through other comprehensive income		**99,797**	161,166
Prepayments, other receivables and other assets		**858,866**	663,340
Financial assets at fair value through profit or loss		**23,511**	23,980
Pledged deposits	*14*	**621,852**	662,028
Cash and cash equivalents	*14*	**653,539**	743,975
Total current assets		**9,726,577**	9,323,996

	Notes	**30 June 2025 (Unaudited) *RMB'000***	31 December 2024 (Audited) *RMB'000*
CURRENT LIABILITIES			
Trade and bills payables	*15*	**3,080,658**	2,603,037
Other payables and accruals		**1,174,845**	1,094,771
Lease liabilities		**41,823**	22,802
Financial liabilities at fair value through profit or loss		**10,107**	10,371
Interest-bearing bank borrowings	*16*	**4,396,197**	4,005,321
Convertible bonds		**72,527**	–
Income tax payable		**310,076**	291,475
Total current liabilities		**9,086,233**	8,027,777
NET CURRENT ASSETS		**640,344**	1,296,219
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,339,182**	6,496,136
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	*16*	**945,762**	1,116,210
Convertible bonds		**–**	68,960
Deferred tax liabilities		**82,697**	84,551
Deferred government grants		**137,282**	142,209
Lease liabilities		**128,963**	65,426
Total non-current liabilities		**1,294,704**	1,477,356
Net assets		**5,044,478**	5,018,780
EQUITY			
Equity attributable to owners of the parent			
Share capital	*17*	**120,718**	118,469
Equity component of convertible bonds		**26,623**	26,623
Reserves		**4,501,001**	4,453,260
		4,648,342	4,598,352
Non-controlling interests		**396,136**	420,428
Total equity		**5,044,478**	5,018,780

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. CORPORATE INFORMATION

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

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

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange and International Accounting Standards ("**IAS**") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (the "**IASB**").

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended International Financial Reporting Standard ("**IFRS**") for the first time for the current period's financial information

Amendments to IAS 21	*Lack of Exchangeability*

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

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

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

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

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

Information about products

An analysis of revenue by products is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Power solutions business	**7,348,891**	6,798,509
Recycled lead business	**1,089,473**	744,404
Total segment revenue	**8,438,364**	7,542,913

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Mainland China*	**4,764,820**	4,363,895
Europe, the Middle East and Africa	**1,534,671**	1,165,155
Americas	**1,412,437**	1,349,508
Asia-Pacific (other than Mainland China)	**726,436**	664,355
Total	**8,438,364**	7,542,913

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

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

(b) Non-current assets

	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Mainland China	**4,179,148**	4,099,010
Other countries/areas	**1,058,352**	701,812
Total segment non-current assets	**5,237,500**	4,800,822

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

Information about major customers

No revenue from sales to any customer amounted to 10% or more of the Group's total revenue for the six months ended 30 June 2025 (30 June 2024: none).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers	**8,438,364**	7,542,913

Disaggregated revenue information

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Type of goods		
Sale of industrial products	**8,438,364**	7,542,913
Timing of revenue recognition		
Goods transferred at a point in time	**8,438,364**	7,542,913

An analysis of other income and gains is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Other income and gains		
Foreign exchange gain, net	**50,927**	11,694
Government grants*	**47,294**	18,372
Bank interest income	**6,659**	16,423
Dividend income from financial assets at fair value through profit or loss	**–**	8,814
Rental income	**14,699**	1,529
Sale of scrap materials	**11,379**	6,338
Others	**8,488**	2,707
Total	**139,446**	65,877

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

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Cost of inventories sold	**6,608,079**	5,614,959
Write-down of inventories to net realisable value	**9,569**	24,702
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	**782,993**	650,808
Equity-settled share option expenses	**–**	4,775
Pension scheme contributions	**52,933**	58,445
	835,926	714,028
Amortisation of other intangible assets except for deferred development costs	**14,833**	12,990
Research and development costs:		
Deferred development costs amortised*	**127,149**	109,389
Current period expenditure	**150,138**	181,535
	277,287	290,924
Fair value gain from financial liabilities at fair value through profit or loss, net	**(246)**	(32)
Fair value (gain)/loss from financial assets at fair value through profit or loss, net	**(29,656)**	13,712
Depreciation of property, plant and equipment	**236,169**	190,884
Depreciation of investment property	**9,084**	5
Depreciation of right-of-use assets	**20,645**	16,822
Impairment of trade receivables	**26,304**	29,193
Loss on disposal of items of property, plant and equipment, net	**3,270**	2,585
Foreign exchange gain, net	**(50,927)**	(11,694)
Lease payment not included in the measurement of lease liabilities	**19,310**	15,717
Bank interest income	**(6,659)**	(16,423)

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

6. OTHER EXPENSES

An analysis of other expenses is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Depreciation of investment property	**9,084**	–
Loss on disposal of items of property, plant and equipment	**3,270**	2,585
Others	**1,022**	6,003
Total	**13,376**	8,588

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest on bank loans (including convertible bonds)	**135,108**	134,129
Interest arising from discounted bills	**15,555**	23,217
Interest on lease liabilities	**3,082**	2,739
Total	**153,745**	160,085

8. INCOME TAX

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current	**81,617**	46,429
Deferred	**(34,558)**	(22,127)
Total tax charged for the period	**47,059**	24,302

9. DIVIDENDS

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Proposed interim – nil (2024: HK 4 cents) per ordinary share	**–**	50,227

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

The calculation of basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,401,693,595 (six months ended 30 June 2024: 1,372,193,475) outstanding during the period, as adjusted to reflect the rights issue during the period.

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

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculations	**93,741**	244,819
Interest on convertible bonds	**6,183**	5,539
Profit attributable to ordinary equity holders of the parent used in the diluted earnings per share calculations	**99,924**	250,358

	Number of shares Six months ended 30 June 2025 (Unaudited)	2024 (Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculations	**1,401,693,595**	1,372,193,475
Effect of dilution – weighted average number of ordinary shares:		
Share options	**17,310,685**	19,058,638
Convertible bonds	**60,000,000**	60,000,000
Total	**1,479,004,280**	1,451,252,113

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets at a cost of RMB461,772,000 (30 June 2024: RMB437,332,000).

Assets with a net book value of RMB16,868,000 were disposed of by the Group during the six months ended 30 June 2025 (30 June 2024: RMB16,274,000), resulting in a net loss on disposal of RMB3,270,000 (30 June 2024: RMB2,585,000).

During the six months ended 30 June 2025 and 2024, no impairment loss was recognised by the Group.

12. INVENTORIES

	30 June 2025 (Unaudited) ***RMB'000***	31 December 2024 (Audited) *RMB'000*
Raw materials	**894,859**	877,183
Work in progress	**1,609,856**	1,345,963
Finished goods	**989,752**	1,142,083
Total	**3,494,467**	3,365,229

At 30 June 2025, no inventories were pledged to secure general banking facilities granted to the Group (31 December 2024: RMB49,500,000) (note 16(v)).

13. TRADE RECEIVABLES

	30 June 2025 (Unaudited) ***RMB'000***	31 December 2024 (Audited) *RMB'000*
Trade receivables	**4,132,759**	3,836,188
Less: Impairment provision	**(158,214)**	(131,910)
Total	**3,974,545**	3,704,278

The Group grants different credit periods to customers. The credit period of individual customers is considered on a case-by-case basis. Certain customers are required to make partial payment before or upon delivery. The Group seeks to maintain strict control over its outstanding receivables and closely monitors them to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables of RMB1,569,142,000 (31 December 2024: RMB1,328,531,000) were under short term credit insurance and RMB60,861,000 (31 December 2024: RMB59,357,000) were under letters of credit. Trade receivables are non-interest-bearing.

As at 30 June 2025, the Group had pledged certain trade receivables amounting to RMB606,520,000 (31 December 2024: RMB611,395,000) to banks with recourse in exchange for cash. The proceeds from pledging the trade receivables of RMB488,890,000 (31 December 2024: RMB533,759,000) were accounted for as collateralised bank advances until the trade receivables were collected or the Group made good of any losses incurred by the banks (note 16(iii)).

An ageing analysis of the trade receivables as at 30 June 2025 and 31 December 2024 based on the invoice date and net of provisions, is as follows:

	30 June 2025 (Unaudited) ***RMB'000***	31 December 2024 (Audited) *RMB'000*
Within 3 months	**2,881,625**	2,801,303
3 to 6 months	**677,496**	604,697
6 to 12 months	**302,678**	187,548
1 to 2 years	**82,181**	93,650
Over 2 years	**30,565**	17,080
Total	**3,974,545**	3,704,278

14. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2025 (Unaudited) *RMB'000*	31 December 2024 (Audited) *RMB'000*
Cash and bank balances	**653,539**	743,975
Time deposits	**621,852**	662,028
Subtotal	**1,275,391**	1,406,003
Less: Pledged for interest-bearing bank borrowings *(note 16(iv))*	**(22,029)**	(45,104)
Pledged for bills payable *(note 15)*	**(268,989)**	(326,764)
Pledged for letters of credit	**(330,834)**	(290,160)
Subtotal	**(621,852)**	(662,028)
Cash and cash equivalents	**653,539**	743,975
Denominated in RMB	**987,943**	1,120,592
Denominated in US$	**179,256**	158,505
Denominated in HK$	**34,631**	61,391
Denominated in Euro ("**EUR**")	**16,203**	11,190
Denominated in Indian Rupee	**14,992**	11,233
Denominated in GBP	**7,572**	6,729
Others	**34,794**	36,363
Total	**1,275,391**	1,406,003

15. TRADE AND BILLS PAYABLES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	RMB'000	*RMB'000*
Trade payables	**1,431,087**	1,187,451
Bills payable	**1,649,571**	1,415,586
Total	**3,080,658**	2,603,037

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	RMB'000	*RMB'000*
Within 3 months	**1,369,413**	1,248,762
3 to 6 months	**720,152**	903,190
6 to 12 months	**956,842**	423,338
1 to 2 years	**22,998**	19,660
2 to 3 years	**6,862**	4,314
Over 3 years	**4,391**	3,773
Total	**3,080,658**	2,603,037

The trade payables are non-interest-bearing and are normally settled on 90-day terms. All the bills payable bear maturity dates within 365 days. As at 30 June 2025, bills payable amounting to RMB1,029,800,000 (31 December 2024: RMB759,932,000) were issued on intercompany sales transactions within Group companies and such bills were discounted to banks for short term financing.

As at 30 June 2025, certain bills payable of the Group were secured by pledging of certain time deposits of the Group amounting to RMB268,989,000 (31 December 2024: RMB326,764,000).

16. INTEREST-BEARING BANK BORROWINGS

	30 June 2025 (unaudited)			31 December 2024 (audited)		
	Effective interest rate ***(%)***	**Maturity**	***RMB'000***	Effective interest rate *(%)*	Maturity	*RMB'000*
Current						
Interest-bearing bank borrowings, secured	**2.00-5.00**	**2026**	**1,056,496**	3.10 to 7.98 HIBOR+2.75	2025	760,600
Collateralised bank advances, secured	**2.00-5.00**	**2026**	**488,890**	2.01 to 5.00	2025	533,759
Interest-bearing bank borrowings, guaranteed	**2.00-8.25**	**2026**	**2,464,211**	2.00 to 7.69 HIBOR+3	2025	2,446,946
Current portion of long term bank borrowings, guaranteed	**LPR +Applicable margin**	**2026**	**386,600**	HIBOR +Applicable margin	2025	264,016
Total – current			**4,396,197**			4,005,321
Non-current						
Interest-bearing bank borrowings, secured	**3.30-5.25**	**2028-2038**	**478,005**	3.30 to 8.30	2026-2038	487,451
Interest-bearing bank borrowings, guaranteed	**2.00-5.63**	**2026-2028**	**304,357**	2.00 to 9.60	2026-2027	280,887
Interest-bearing bank borrowings, guaranteed	**LPR +Applicable margin**	**2026-2028**	**163,400**	HIBOR +Applicable margin	2026	347,872
Total – non-current			**945,762**			1,116,210
Total			**5,341,959**			5,121,531

Analysed into:

	30 June 2025 (Unaudited) ***RMB'000***	31 December 2024 (Audited) *RMB'000*
Bank loans and advances repayable:		
Within one year	**4,396,197**	4,005,321
In the second year	**139,411**	399,316
In the third to fifth years, inclusive	**329,301**	663,333
Beyond five years	**477,050**	53,561
Total	**5,341,959**	5,121,531

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

(i) a charge over certain property, plant and equipment of the Group with carrying amount of approximately RMB255,058,000 (31 December 2024: RMB392,715,000) as at the end of the reporting period.

(ii) a charge over certain leasehold lands of the Group with carrying amount of approximately RMB91,744,000 (31 December 2024: RMB106,252,000) as at the end of the reporting period.

(iii) the pledge of certain trade receivables of the Group with carrying amount of approximately RMB606,520,000 (31 December 2024: RMB611,395,000) as at the end of the reporting period (note 13).

(iv) the pledge of certain time deposits of the Group amounting to approximately RMB22,029,000 (31 December 2024: RMB45,104,000) as at the end of the reporting period (note 14).

(v) no inventories of the Group were pledged as at the end of the reporting period (31 December 2024: RMB49,500,000) (note 12).

(vi) cross guarantees executed by companies within the Group.

17. COMMITMENTS

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

	30 June 2025 (Unaudited) *RMB'000*	31 December 2024 (Audited) *RMB'000*
Land and buildings	**157,572**	102,469
Plant and machinery	**124,654**	75,235
Capital contribution for financial assets at fair value through profit or loss	**32,500**	32,500
Total	**314,726**	210,204

18. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed herein, the Board is not aware of any significant events that have occurred since 30 June 2025 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is a leading global power solutions provider, serving the data center and telecommunications industries, providing highly reliable and innovative backup power solutions to the world's top data center equipment manufacturers, major international data center solution providers and telecom operators. It also serves the automotive industry, including automobiles, motorcycles and electric vehicles, as well as battery energy storage systems and other consumer and industrial products.

The Group has two businesses: Power Solutions and Recycled Lead. The Power Solutions business is classified into three categories based on applications, defined as follows:

- Network power batteries: including telecom and uninterrupted power supply ("**UPS**") batteries which are widely used in communication networks and data centers at all levels to provide a key guarantee for the normal operation of communication networks and other network power batteries.

- SLI batteries: used for the starting, lightening and ignition (SLI) of automobiles, motorcycles and ships.

- Motive power batteries: mainly used in electric bicycles, electric tricycles, low-speed electric cars, golf carts and sightseeing carts.

BUSINESS REVIEW

In the first half of 2025, the world economy was grappling with deep-rooted structural issues alongside emerging new pressures, fueling heightened economic instability and financial market fluctuations. Key contributing factors included the growing ambiguity surrounding widespread tariff policies and deteriorating fiscal conditions across nations. These developments complicated inflation projections and monetary policy expectations, resulting in an increasingly unpredictable economic environment. Despite these economic uncertainties, the Group recorded an overall revenue of RMB8,438.4 million for the Period, representing an increase of 11.9% over the RMB7,542.9 million recorded for the corresponding period in 2024.

Power Solutions Business

Network Power battery

As the leading revenue contributor to the Group, the network power battery business accounted for 40.6% of the total sales of the Group during the Period, and has recorded a sales revenue of RMB3,428.8 million during the Period (six months ended 30 June 2024: RMB3,135.4 million), representing a 9.4% year-on-year growth. The increase was mainly driven by the rising demand for UPS batteries in data centers as a result of the growth in cloud computing, 5G networks and digital transformation initiatives. The Group maintained a solid presence in the data center and other areas of the network power battery market, offering high-quality lead-acid and lithium-ion batteries tailored for critical power backup applications. Looking ahead, the demand for lead-acid batteries in UPS applications is expected to grow significantly as the global dependence on digital infrastructure expands.

SLI battery

The sales revenue of the SLI battery business, as the second largest revenue contributor to the Group, accounted for 36.9% of the total sales of the Group during the Period, and recorded a sales revenue of RMB3,115.3 million during the Period (six months ended 30 June 2024: RMB2,841.1 million), representing a year-on-year growth of 9.6%. The increase was mainly driven by increased vehicle production, especially in emerging markets like India, Southeast Asia, and South America. The Group has introduced cutting-edge start-stop batteries featuring longer lifespans and maintenance-free operation, designed to meet the demands of modern vehicles and equipment. Moving forward, the Group will continue to strengthen its presence in high-growth regions, including Southeast Asia, Africa, and South America, where rising economic activity and expanding vehicle ownership are driving strong demand for SLI batteries.

Motive power battery

The motive power battery business accounted for 7.4% of the total sales of the Group during the Period, and its sales revenue amounted to RMB621.8 million during the Period (six months ended 30 June 2024: RMB686.8 million), representing a 9.5% year-on-year decline. This decline was mainly due to the weak demand from the Mainland China market caused by its lackluster economy. However, following the economic recovery in Mainland China, the sales of motive power batteries are expected to recover in this market in the second half of 2025.

Recycled Lead Business

The sales revenue from the recycled lead business amounted to RMB1,089.5 million during the Period (six months ended 30 June 2024: RMB744.4 million), representing a year-on-year increase of 46.4%. The increase was mainly due to tremendous sales effort in Mainland China. However, the recycled lead business encountered intense competition during the Period. Additionally, the rising cost of scrap batteries, the raw material of the recycled lead business, took a toll on the profit margin. Following the Chinese government's roll-out of more favorable policies to boost environment friendly entities, the profitability of the recycled lead business is expected to gradually improve in 2026.

OUTLOOK

Currently, the world is at a critical stage of deepening development in both the digital economy and the global energy structure. The development of artificial intelligence (AI), the continuous deepening of 5G applications and the widespread integration of the Internet of Things are jointly propelling communication technology and data centers towards a new stage of development, thus fostering demand for higher-performance communication networks and more powerful data processing capabilities. The International Energy Agency predicts that the global electricity demand for data centers will at least double to approximately 945 terawatt-hours by 2030, accounting for about 3% of total global electricity consumption.

Meanwhile, the advancement of the global goal of "dual carbon" (carbon peak and carbon neutrality) and the implementation of sustainable development initiatives are accelerating the innovative application of clean energy technologies. The further integration of renewable energy sources, namely photovoltaic and wind power, with energy storage systems is advancing steadily, thus facilitating the transformation of the energy structure towards a clean and intelligent form. Against this backdrop, the demand for efficient battery management systems and energy management system applications in fields such as new energy vehicles, energy storage power stations and smart grids grows significantly, giving rise to an urgent need for intelligent and highly reliable power solutions.

As an active participant in global energy and digital transformation, the Group has built a full range solution capability covering energy storage (including energy storage inverters, battery management systems and energy management systems), digital energy (data center backup power and communication base station backup power solutions) and transportation energy (automotive starting batteries, new energy vehicle auxiliary batteries and low-speed power batteries), with energy storage and power solution technology as its core competitiveness. The Group is deeply integrated into the global dual-carbon transformation and the construction process of new power systems, and is expected to achieve leapfrog growth in performance given the multiple benefits of increased energy storage demand, digital infrastructure upgrades and increased penetration of new energy vehicles.

I. Binding Digital Infrastructure and Building a Growth Engine for Network Power Battery Business

Driven by the dual waves of revolutionary breakthroughs in and accelerated penetration of AI technology across various industries and the continuous large-scale deployment of global cloud computing infrastructure, the demand for computing capacity is growing exponentially at an unprecedented rate. This trend has not only led to a sharp increase in the energy consumption of data centers and core infrastructure of communication networks, but has also imposed more stringent high-standard requirements on the stability, security and backup power duration of power supply systems.

In the face of this historic opportunity and challenge, the Group, relying on decades of technological accumulation in the battery field, an established and reliable product system and a solid first-mover advantage in the global market, has clearly observed that stable, efficient and sustainable energy assurance, especially in the form of critical backup power solutions, and has become the cornerstone supporting the stable operation of computing infrastructure.

Accordingly, the Group is strategically increasing its investment, making the high-end lead-acid battery business for data centers and communications the core of its development, and is committed to building it into a core engine driving sustainable growth in the future through continuous technological iteration, capacity expansion and market penetration. All these measures aim at providing a solid "power backup" for the process of global digitalization and energy transition.

II. Deeply Developing the Channel Market and Enhancing Growth Potential

Since the development potential of the aftermarket channel far exceeds that of the front-end market, the former has become a key opportunity for the Group to break through its bottleneck for further growth. The Group is deeply rooted in battery manufacturing. As a result, expanding the after-sales channel is not simply a market extension, rather, this represents the implementation of the concept of "full lifecycle service", which refers to a process of identifying the replacement needs of end-users, optimizing the response speed of supply chains and improving product adaptation solutions by deploying a denser network of service outlets. With these efforts, high-quality battery products will be able to continuously create value in the after-sales sector, thereby eventually accumulating market competitiveness that covers the entire product lifecycle.

Focusing on the after-sales channel market is essentially a thorough response to user needs by nature, and it is also a strategic choice for enterprises to build a second growth curve. Compared to the bulk procurement model in cooperation with OEMs, the after-sales market directly faces millions of end-users, which not only allows for better product profit margins and cash flow but also enables precise identification of directions for product improvement through frequent interactions, timely replacement services and technical support to build brand reputation. We are building on channel penetration and focusing on service upgrades to transform the scale advantage of the after-sales market into sustainable growth momentum for the enterprise, ensuring that every battery, from factory to replacement, becomes a strong link connecting users and brands throughout the entire chain.

III. Developing Smart Energy Storage Solutions and Building a Diversified Battery Technology Matrix

Leveraging its extensive experience and market-leading position in the lead-acid battery sector, the Group actively seizes opportunities arising from energy transition, continuously deepens its strategic layout in the field of lithium batteries, and has developed a diversified clientele of high-quality customers covering key markets, namely communications, data centers, new energy storage and light electric vehicles. It is particularly worth mentioning that, in order to build more comprehensive competitiveness, the Group is accelerating its investment in the R&D and innovation of supporting systems for lithium battery energy storage, focusing on creating an integrated smart solution of "hardware + software + services". By further integrating battery management systems, energy management systems, the Internet of Things and intelligent monitoring platforms, the Group has successfully delivered highly reliable and intelligent lithium battery energy storage solutions to customers. The market potential is significant in the future.

Looking ahead, the Group will continue to increase its investment in R&D, building a diversified product matrix with lithium battery technology as its core, complemented by the synergistic development of new battery technologies, such as lead-carbon batteries and sodium-ion batteries, thereby strengthening the overall competitive barriers of its product portfolio. The Group will leverage this to continuously strengthen its market leadership, actively develop and explore new engines for high-quality growth and generate strong momentum for sustainable development.

IV. Optimizing the Support Capabilities of Globalized Production and Supply Chain Continuously

With challenges like geopolitical competition and supply chain fluctuations, the Group is accelerating the expansion of its global production layout, aiming to build a more resilient operating system and minimize the impact of the external environment on its operation. To precisely respond to the demand in the American market, particularly to strengthen the service capabilities for customers in the United States, the Group's first production base in Mexico is expected to commence production in the fourth quarter of this year, serving as a strategic foothold for the Group's expansion in the Americas and achieving close-range supply chain coverage for customers in North American.

At the same time, the Group is optimizing its localized operational capabilities at its base in the USMCA trade zone in Mexico through the comprehensive coverage of the SAP global supply chain management system. This enables a dynamic adjustment of the allocation ratio of production capacity between North America and Southeast Asia in response to uncertainties in the tariff policies of the United States, ensuring the Group remains competitive in a complicated trading landscape.

In addition, based on an assessment on the long-term development potential of the American market, the Group has initiated feasibility studies on the capacity expansion of its Mexico base and the establishment of a local plant in the United States. It plans to gradually increase the scale of localized production with reference to market feedback and the pace of business growth, so as to more proactively support the business expansion in the Americas and enhance the synergistic efficiency of the global supply chain.

Looking ahead, despite the lingering complexity of the global situation and macroeconomic variables, the Group will always anchor its strategy to long-term value with strategic determination. Building on the consolidation of its core advantages in energy storage and power solutions, the Group will, guided by demand insights, expand its product range with technological innovation as the engine. These initiatives will lead to industry upgrades ultimately, thus continuously creating stable and growing returns for shareholders and turning to a new page together with the industry.

In February 2025, the Company proposed the spin-off and separate listing on the United States of America of its wholly-owned subsidiary, Leoch Energy Inc, which together with its subsidiaries are principally engaged in reserve power batteries, SLI batteries and motive power batteries in the EMEA, the Americas and the Asia-Pacific Region (other than Chinese Mainland, Hong Kong and Macau). This strategic move aims to unlock and enhance the market value of both the spin-off group and the remaining group. For details, please refer to the announcement of the Company dated 12 February 2025.

FINANCIAL REVIEW

During the Period, the Group's revenue amounted to RMB8,438.4 million, representing an increase of 11.9% compared to the corresponding period in 2024. The profit for the Period amounted to RMB69.5 million, representing a decrease of 71.3% compared to the corresponding period in 2024, of which the profit attributable to owners of the parent amounted to RMB93.7 million, representing a decrease of 61.7% compared to the corresponding period in 2024. Basic and diluted earnings per share for the Period was RMB0.07 (six months ended 30 June 2024: RMB0.18 and RMB0.17, respectively). The significant decrease in basic and diluted earnings per share was mainly caused by the lower gross profit margin.

Revenue

The Group's revenue increased by 11.9% from RMB7,542.9 million for the six months ended 30 June 2024 to RMB8,438.4 million for the Period, of which the Group's revenue from the power solutions business increased by 8.1% from RMB6,798.5 million for the six months ended 30 June 2024 to RMB7,348.9 million for the Period, while the Group's revenue from the recycled lead business increased by 46.4% from RMB744.4 million for the six months ended 30 June 2024 to RMB1,089.5 million for the Period.

Details of the Group's revenue for the six months ended 30 June 2025 and 2024 by product are set out below:

	Six months ended 30 June				
	2025			2024	
Product	**Revenue**		**Percentage increase/ (decrease)**	Revenue	
	RMB'000	*%*		*RMB'000*	*%*
Network power batteries	**3,428,757**	**40.6%**	**9.4%**	3,135,410	41.6%
SLI batteries	**3,115,307**	**36.9%**	**9.6%**	2,841,142	37.7%
Motive power batteries	**621,810**	**7.4%**	**(9.5%)**	686,814	9.1%
Others	**183,017**	**2.2%**	**35.4%**	135,143	1.8%
Sub-total	**7,348,891**	**87.1%**	**8.1%**	6,798,509	90.1%
Recycled lead products	**1,089,473**	**12.9%**	**46.4%**	744,404	9.9%
Total	**8,438,364**	**100%**	**11.9%**	7,542,913	100%

Geographically, the Group's customers are principally located in Mainland China, Europe, the Middle East and Africa ("**EMEA**"), the Americas and Asia-Pacific (other than Mainland China). The Group recorded different levels of growth in different markets.

The Group's sales revenue in Mainland China increased by 9.2% from RMB4,363.9 million for the six months ended 30 June 2024 to RMB4,764.8 million for the Period, representing 56.5% of the Group's total revenue (six months ended 30 June 2024: 57.9%). The increase was mainly attributable to the recycled lead business as a result of tremendous sales effort in Mainland China. The sales revenue from the power solutions business increased slightly by 1.5% compared to the corresponding period in 2024 because the strong demand from the network power battery driven by the data center battery was compensated by the decline in the motive power battery as a result of keen competition in Mainland China.

The Group's sales revenue in EMEA increased by 31.7% from RMB1,165.2 million for the six months ended 30 June 2024 to RMB1,534.7 million for the Period. The increase was mainly due to the strong demand for the network power batteries in Europe and better than expected sales of SLI products in the Middle East and Africa. The Group's sales revenue in the Americas increased by 4.7% from RMB1,349.5 million for the six months ended 30 June 2024 to RMB1,412.4 million for the Period, driven by the Group's expanded presence in emerging markets in South America, especially in Brazil. The Group's sales revenue in the Asia-Pacific region (other than Mainland China) increased by 9.3% from RMB664.4 million for the six months ended 30 June 2024 to RMB726.4 million for the Period. The increase was partly driven by the strong sales of SLI batteries in Vietnam as a result of its government's incentives to boost its electric vehicle industry and partly due to increased customer bases for the network power batteries in the region.

The following table sets forth details of the Group's revenue during the six months ended 30 June 2025 and 2024 based on customer location:

	Six months ended 30 June				
	2025			2024	
Customer location	**Revenue**		**Percentage increase**	Revenue	
	RMB'000	***%***		*RMB'000*	*%*
Mainland China	**4,764,820**	**56.5%**	**9.2%**	4,363,895	57.9%
EMEA	**1,534,671**	**18.2%**	**31.7%**	1,165,155	15.4%
Americas	**1,412,437**	**16.7%**	**4.7%**	1,349,508	17.9%
Asia-Pacific (other than Mainland China)	**726,436**	**8.6%**	**9.3%**	664,355	8.8%
Total	**8,438,364**	**100%**	**11.9%**	7,542,913	100%

Cost of Sales

The Group's cost of sales increased by 16.9% from RMB6,481.1 million for the six months ended 30 June 2024 to RMB7,574.0 million for the Period. The increase was mainly due to the increased sales.

Gross Profit

The Group's gross profit decreased by 18.6% from RMB1,061.8 million for the six months ended 30 June 2024 to RMB864.4 million for the Period. The overall gross profit margin decreased from 14.1% for the six months ended 30 June 2024 to 10.2% for the Period. The gross profit margin decreased for the power solutions business mainly due to the loss of customers with higher profit margin as a result of US import tariffs while the decrease in the recycled lead business was mainly due to the rising cost of scrap batteries. Additionally, the postponement of the Mexico factory's production commencement from the second quarter to the fourth quarter of 2025 delayed the anticipated benefits of localized production in mitigating tariff-related cost pressures.

Other Income and Gains

Other income and gains increased by 111.7% from RMB65.9 million for the six months ended 30 June 2024 to RMB139.4 million for the Period, mainly due to the increase in government grants and foreign exchange gains for the Period.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by 24.1% from RMB246.3 million for the six months ended 30 June 2024 to RMB305.7 million for the Period. The increase was mainly due to the increase in sales commission and staff costs as a result of business expansion globally.

Administrative Expenses

The Group's administrative expenses increased by 20.5% from RMB222.3 million for the six months ended 30 June 2024 to RMB267.9 million for the Period, which was partly due to the increase in staff costs and office depreciation as a result of overseas business expansion and partly due to the increase in professional service fees related to the proposed split-off and separate listing activities on a U.S. Exchange.

Research and Development Costs

The research and development expenditure of the Group decreased by 17.3% from RMB181.5 million for the six months ended 30 June 2024 to RMB150.1 million for the Period. The decrease in expenditure was mainly due to the fact that most of the expenditure relating to the development of new products carried out in the second half year of 2024 were capitalized during the Period.

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

The Group recognised fair value gains of RMB29.9 million on financial instruments measured at fair value through profit or loss during the Period while incurred fair value losses of RMB13.7 million in the corresponding period of 2024.

Finance Costs

The Group's finance costs slightly decreased from RMB160.1 million for the six months ended 30 June 2024 to RMB153.7 million for the Period mainly due to the combined results of the increase in the average bank borrowings and the decrease in the average interest rates during the Period.

Profit before Tax

As a result of the foregoing factors, the Group recorded profit before tax of RMB116.5 million for the Period (six months ended 30 June 2024: RMB266.0 million).

Income Tax Expenses

Income tax expenses increased by 93.6% from RMB24.3 million for the six months ended 30 June 2024 to RMB47.1 million for the Period, mainly due to the increase in taxable profit of the Group during the Period.

Profit for the Period

As a result of the foregoing factors, the Group recorded profit for the Period of RMB69.5 million (six months ended 30 June 2024: RMB241.7 million), of which the Group recorded profit attributable to owners of the parent of RMB93.7 million (six months ended 30 June 2024: RMB244.8 million)

Liquidity and Financial Resources

As at 30 June 2025, the Group's net current assets amounted to RMB640.3 million (31 December 2024: RMB1,296.2 million), among which cash and bank deposit amounted to RMB1,275.4 million (31 December 2024: RMB1,406.0 million).

As at 30 June 2025, the Group had bank borrowings of RMB5,342.0 million (31 December 2024: RMB5,121.5 million), all of which are interest-bearing. Except for borrowings of RMB945.8 million which have a maturity of over one year, all of the Group's bank borrowings are repayable within one year. The Group's borrowings are denominated in RMB, US dollars, HK dollars and other currencies, and the effective interest rates of which as of 30 June 2025 were in the range of 2.00% to 8.25% (31 December 2024: 2.00% to 9.60%).

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

As at 30 June 2025, the Group's gearing ratio was 34.6% (31 December 2024: 35.3%), which was calculated by dividing total borrowings by total assets as at the end of each respective period, multiplied by 100%.

Risks of Exchange Rate Fluctuation

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

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

Pledge of Assets

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

Capital Commitments

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

Significant Investment

As at 30 June 2025, the Group has no significant investment with a value of 5% or more of the Group's total assets.

Material Acquisition and Disposal

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

EMPLOYEES

As at 30 June 2025, the Group had 17,957 employees. Employee benefit expenses (including directors' remuneration), which comprise wages and salaries, bonuses, equity-settled share option expenses and pension scheme contributions, totaled RMB835.9 million for the Period (six months ended 30 June 2024: RMB714.0 million).

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

INTERIM DIVIDEND

The Board does not recommend the declaration and payment of an interim dividend for the Period (six months ended 30 June 2024: HK4 cents per share).

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance with a view to safeguarding the interests of shareholders and enhancing corporate value. The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules during the Period, save for code provision F.2.2 (which stipulates that the chairman of the Board should attend the annual general meeting), as Dr. DONG Li, the chairman of the Board, was unable to attend the annual general meeting of the Company held on 16 May 2025 due to his other business engagements. The other directors attended the annual general meeting to answer relevant questions raised by and understand the views of the shareholders of the Company instead.

EVENTS AFTER THE PERIOD

No material events occurred subsequent to 30 June 2025 and up to the date of this announcement.

AUDIT COMMITTEE

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares) during the Period. As at 30 June 2025, there were no treasury shares (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) held by the Company.

APPRECIATION

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

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

Hong Kong, 29 August 2025

As of the date of this announcement, the executive Directors are Dr. DONG Li and Ms. HONG Yu, and the independent non-executive Directors are Mr. CAO Yixiong Alan, Mr. LAU Chi Kit and Mr. LU Zhiqiang.