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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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

	2025	2024	
	RMB million	*RMB million* (Restated)	**Changes**
Turnover	**17,211.6**	16,126.5	**6.7%**
Gross profit	**1,612.6**	2,266.8	**-28.9%**
(Loss)/Profit for the year	**-190.7**	600.7	**-131.8%**
(Loss)/Profit attributable to owners of the parent	**-173.9**	603.6	**-128.8%**
Basic (loss)/earnings per share *(RMB)*	**-0.12**	0.44	**-127.3%**

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Leoch International Technology Limited ("**Company**", "**Leoch International**" or "**Leoch**") is pleased to announce the consolidated results of the Company and its subsidiaries (together, the "**Group**") for the year ended 31 December 2025 (the "**Period**") together with the comparative figures for the previous year. The Company's audit committee (the "**Audit Committee**") has reviewed the results and the financial statements of the Group for the year ended 31 December 2025 prior to recommending them to the Board for approval.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	**2025** ***RMB'000***	2024 *RMB'000* (Restated)#
CONTINUING OPERATIONS			
REVENUE	*4*	**10,574,153**	9,959,982
Cost of sales		**(9,636,760)**	(8,563,434)
Gross profit		**937,393**	1,396,549
Other income and gains	*4*	**121,575**	267,301
Selling and distribution expenses		**(328,470)**	(337,292)
Administrative expenses		**(416,541)**	(333,772)
Research and development costs	*5*	**(324,837)**	(313,872)
Impairment losses on financial assets, net	*5*	**(14,036)**	(53,215)
Other expenses	*6*	**(20,141)**	(31,327)
Fair value losses on financial instruments measured at fair value through profit or loss, net	*5*	**13,755**	(44,709)
Change in fair value of investment properties		**41,093**	49,634
Finance costs	*7*	**(254,752)**	(238,761)
(LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**(244,961)**	360,536
Income tax expense	*8*	**(24,999)**	(27,461)
(LOSS)/PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**(269,960)**	333,075

	Notes	2025 RMB'000	2024 RMB'000 (Restated)#
DISCONTINUED OPERATION			
Profit for the year from a discontinued operation		**79,293**	267,661
(LOSS)/PROFIT FOR THE YEAR		**(190,667)**	600,736
Attributable to:			
Owners of the parent		**(173,900)**	603,627
Non-controlling interests		**(16,767)**	(2,891)
		(190,667)	600,736
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
Basic			
– For (loss)/profit for the year		**RMB(0.12)**	RMB0.44
– For (loss)/profit from continuing operations		**RMB(0.19)**	RMB0.25
Diluted			
– For (loss)/profit for the year		**RMB(0.12)**	RMB0.42
– For (loss)/profit from continuing operations		**RMB(0.19)**	RMB0.25

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	**2025** **RMB'000**	2024 RMB'000 (Restated)#
(LOSS)/PROFIT FOR THE YEAR		**(190,667)**	600,736
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/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	*13*	**(230)**	461
Income tax effect		**58**	(115)
		(172)	346
Exchange differences on translation of foreign operations		**(24,309)**	(29,411)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(24,481)**	(29,065)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value		**1,519**	(10,806)
Income tax effect		**(380)**	2
		1,139	(10,804)
Exchange differences arising on translation of functional currency to presentation currency		**48,999**	(4,545)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		**50,138**	(15,349)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**25,657**	(44,414)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(165,010)**	556,322
Attributable to:			
Owners of the parent		**(149,826)**	558,239
Non-controlling interests		**(15,184)**	(1,917)
		(165,010)	556,322

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	**31 December 2025** ***RMB'000***	31 December 2024 *RMB'000* (Restated)#
NON-CURRENT ASSETS			
Property, plant and equipment		**2,470,297**	3,073,482
Investment properties		**526,419**	413,120
Right-of-use assets		**378,650**	498,650
Goodwill		**1,345**	3,711
Other intangible assets		**857,151**	798,121
Equity investments designated at fair value through other comprehensive income		**2,912**	1,393
Financial assets at fair value through profit or loss	*15*	**300,873**	306,461
Prepayment and deposit for property, plant and equipment and right-of-use assets		**39,282**	63,383
Deferred tax assets		**65,693**	91,241
Total non-current assets		**4,642,622**	5,249,562
CURRENT ASSETS			
Inventories	*11*	**2,058,398**	3,365,229
Trade receivables	*12*	**2,446,873**	3,704,278
Debt investments at fair value through other comprehensive income	*13*	**156,214**	161,166
Prepayments, other receivables and other assets	*14*	**399,519**	663,340
Financial assets at fair value through profit or loss	*15*	**37,675**	23,980
Pledged deposits	*16*	**537,069**	662,028
Cash and cash equivalents	*16*	**658,179**	743,975
Assets of a disposal group classified as held for distribution to owners		**4,586,460**	–
Total current assets		**10,880,387**	9,323,996

	Notes	**31 December 2025** **RMB'000**	31 December 2024 RMB'000 (Restated)#
CURRENT LIABILITIES			
Trade and bills payables	*17*	**2,855,679**	2,603,037
Other payables and accruals	*18*	**1,085,290**	1,094,771
Financial liabilities at fair value through profit or loss	*15*	**7,431**	10,371
Interest-bearing bank and other borrowings	*19*	**4,401,002**	4,005,321
Lease liabilities		**847**	22,802
Income tax payable		**112,819**	284,491
		8,463,068	8,020,793
Liabilities directly associated with the assets classified as held for distribution to owners		**1,226,530**	–
Total current liabilities		**9,689,598**	8,020,793
NET CURRENT ASSETS		**1,190,789**	1,303,203
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,833,411**	6,552,765
NON-CURRENT LIABILITIES			
Convertible bonds		**–**	68,960
Interest-bearing bank and other borrowings	*19*	**739,953**	1,116,210
Lease liabilities		**1,662**	65,426
Pillar Two tax liabilities		**3,274**	6,984
Deferred tax liabilities		**97,815**	96,962
Deferred government grants		**148,328**	142,209
Total non-current liabilities		**991,032**	1,496,751
Net assets		**4,842,379**	5,056,014

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)#
EQUITY			
Equity attributable to owners of the parent			
Share capital		**123,571**	118,469
Equity component of convertible bonds		**–**	26,623
Reserves		**4,313,564**	4,490,494
		4,437,135	4,635,586
Non-controlling interests		**405,244**	420,428
Total equity		**4,842,379**	5,056,014

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION

Leoch International Technology Limited (the "**Company**") was incorporated in the Cayman Islands on 27 April 2010 as an exempted company with limited liability under the Companies Act, Chapter 22 (Act 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, and the address is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company and its subsidiaries (collectively referred to as the "**Group**") are 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 of the Company is Master Alliance Investment Limited, a company incorporated in the British Virgin Islands and wholly owned by Dr. Dong Li.

With reference to the Company's announcement published on 12 February 2025, the Company's Board of Directors recommended the a distribution in specie of shares of Leoch Energy Inc. and its subsidiaries (the "**LEI Group**") held directly by the Company ("**Proposed Distribution**"), conditional upon the passing of an ordinary resolution by the shareholders of the Company. Such ordinary resolution was passed in shareholders meeting on 7 January 2026.

The consolidated assets and liabilities of LEI Group were classified as held for distribution to owners as at 31 December 2025 and the consolidated results of LEI Group for the year ended 31 December 2025 were presented in the consolidated financial statements as discontinued operations in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. The consolidated statement of profit or loss distinguished the discontinued operations from the continuing operations, and the comparative figures have been restated accordingly.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board (the "**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income, investment properties, debt investments at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(i) New and amended IFRSs

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

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

In previous years, the Group's investment properties were stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. During the current year, the Group has changed its accounting policy with respect to the measurement of investment properties from using the cost model to fair value model. Under the fair value model, after initial recognition, the Group measures these investment properties at fair value at each reporting date, with changes in the fair value recognised in the consolidated statement of profit or loss. Where investment properties are carried at their fair value, there is a rebuttable presumption that the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date.

The Group believes the new policy more suitably reflects the value of the investment properties and will aid comparability with other listed companies, so the change in accounting policy provides more relevant information to the users of financial statements. The Group also assesses that depreciated replacement cost approach is the appropriate valuation technique to determine the fair value of the investment properties of the Group when compared to other valuation techniques. These changes have been applied retrospectively and the relevant comparative amounts have been restated accordingly. The quantitative impact on the financial statements is summarised below.

Impact on the consolidated statements of financial position:

	Increase	
	As at 31 December 2025	As at 31 December 2024
	RMB$'000	*RMB$'000*
Assets		
Investment properties	**90,738**	49,645
Liabilities		
Deferred tax liabilities	**22,684**	12,411
Net assets		
Reserves	**68,054**	37,234

Impact on the consolidated statements of profit or loss:

	Increase/(Decrease) For the year ended 31 December	
	2025	2024
	RMB$'000	*RMB$'000*
Change in fair value of investment properties	**41,093**	49,634
Administrative expenses	**–**	(11)
Income tax expense	**10,273**	12,411
Profit for the year	**30,820**	37,234
Earnings per share		
Basic and diluted *(RMB)*	**0.02**	0.03

The adjustment has been applied as of the beginning of the earliest period presented and has been consistently applied throughout all relevant prior periods. The cumulative effect of the adjustment is reflected in the opening balances of equity for the earliest period presented.

The Change in Measurement of IP did not have any material impact on the consolidated statement of financial position as at 1 January 2024 and the consolidated statements of cash flows for the years ended 31 December 2025 and 2024.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards –Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[1]

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual/reporting periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 Financial Reporting in Hyperinflationary Economies, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

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

IFRS 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 are 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 executive directors review the gross profit of the Group as a whole reported under IFRSs. 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 product is as follows:

	2025 *RMB'000*	2024 *RMB'000* (Restated)
Continuing operations		
Power solutions business	**8,815,897**	8,337,324
Recycled lead business	**1,758,256**	1,622,658
	10,574,153	9,959,982
Discontinued operations		
Power solutions business	**6,637,442**	6,166,495

Geographical information

(a) Revenue from external customers

	2025 *RMB'000*	2024 *RMB'000* (Restated)
Continuing operations		
Chinese mainland	**10,054,640**	9,442,216
Europe, the Middle East and Africa	**144,648**	317,596
Americas	**47,972**	32,270
Asia-Pacific (other than the Chinese mainland)	**326,893**	167,900
Total revenue	**10,574,153**	9,959,982
Discontinued operations		
Chinese mainland	**26,499**	32,165
Europe, the Middle East and Africa	**2,821,655**	2,436,234
Americas	**2,499,144**	2,539,036
Asia-Pacific (other than the Chinese mainland)	**1,290,144**	1,159,060
Total revenue	**6,637,442**	6,166,495

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2025	2024
	RMB'000	*RMB'000*
Chinese mainland	**4,259,098**	4,148,655
Other countries/areas	**14,046**	701,812
Total non-current assets	**4,273,144**	4,850,467

The non-current asset information of continuing operations 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 years 2024 and 2025.

4. REVENUE, OTHER INCOME AND GAINS

Revenue from continuing operations

An analysis of revenue is as follows:

	2025	2024
	RMB'000	*RMB'000*
		(Restated)
Revenue from contracts with customers	**10,574,153**	9,959,982

Revenue from contracts with customers

(i) ***Disaggregated revenue information***

	2025	2024
	RMB'000	*RMB'000*
		(Restated)
Types of goods		
Sale of industrial products	**10,574,153**	9,959,982
Timing of revenue recognition		
Goods transferred at a point in time	**10,574,153**	9,959,982

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2025	2024
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of industrial products	**281,795**	303,500

(ii) ***Performance obligations***

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation for the sale of industrial products is satisfied upon delivery of the industrial products and payment is generally due within 60 to 90 days from delivery, except for new customers, where payment in advance is normally required.

All performance obligations for sale of industrial products are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

	2025	2024
	RMB'000	*RMB'000*
		(Restated)
Other income and gains		
Bank interest income	**12,116**	22,840
Government grants*	**104,909**	134,113
Dividend income from financial assets at fair value through profit or loss	**15,806**	10,992
Sale of scrap materials	**913**	4,922
Foreign exchange gains, net	**(52,365)**	76,510
Rental income	**25,614**	4,833
Gain on disposal of items of property, plant and equipment, net	**1,287**	–
Others	**13,295**	13,091
Total other income and gains	**121,575**	267,301

* *The government grants represent various cash payments and subsidies provided by the local government authorities to the Group as encouragement for its investment and technological innovation. There are no unfulfilled conditions or contingencies relating to these subsidies.*

5. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	Notes	**2025** ***RMB'000***	2024 *RMB'000* (Restated)
Cost of inventories sold		**7,789,796**	6,873,540
Employee benefit expense (including directors' remuneration):			
Wages and salaries		**1,238,460**	1,195,231
Equity-settled share option expenses		**–**	4,357
Pension scheme contributions		**135,094**	89,357
Total		**1,373,554**	1,288,945
Amortisation of other intangible assets except for deferred development costs		**14,843**	18,255
Research and development costs:			
Deferred development costs amortised*		**254,520**	259,903
Current year expenditure		**324,837**	313,872
Total		**579,357**	573,775
Auditor's remuneration		**3,880**	3,400
Fair value (gain)/loss from financial assets at fair value through profit or loss, net		**(11,079)**	44,101

	Notes	2025	2024
		RMB'000	*RMB'000*
			(Restated)
Fair value (gain)/loss from financial liabilities at fair value through profit or loss, net		**(2,676)**	608
Depreciation of property, plant and equipment		**257,029**	294,683
Depreciation of right-of-use assets		**13,747**	11,913
Impairment/(reversal of impairment) of trade receivables, net	*12*	**14,036**	53,215
Write-down of inventories to net realisable value*		**(33,317)**	22,838
(Gain)/loss on disposal of items of property, plant and equipment, net	*4*	**(1,287)**	1,068
Foreign exchange differences, net	*4*	**52,365**	(76,510)
Lease payment not included in the measurement of lease liabilities		**33,839**	27,538
Bank interest income	*4*	**12,116**	22,840

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

6. OTHER EXPENSES

An analysis of other expenses from continuing operations is as follows:

	2025	2024
	RMB'000	*RMB'000*
		(Restated)
Loss on disposal of items of property, plant and equipment, net	**–**	1,068
Inventory damaged by flood	**1,856**	24,338
Others	**18,285**	5,921
Total	**20,141**	31,327

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2025	2024
	RMB'000	*RMB'000*
		(Restated)
Interest on bank loans (including convertible bonds)	**219,038**	178,741
Interest arising from discounted bills	**35,537**	53,538
Interest on lease liabilities	**177**	6,482
Total	**254,752**	238,761

8. INCOME 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.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in this jurisdiction.

The subsidiaries of the Company, Honour Label, Peak Year, Shieldon and Catherine Holdings, which were incorporated in the British Virgin Islands, are not subject to income tax as these subsidiaries do not have a place of business (other than a registered office only) or carry out any business in the British Virgin Islands.

Leoch Battery Corp., incorporated in the United States, is subject to corporate income tax in the United States. The applicable federal corporate income tax rate is 26.55% (2024: 26.55%) on taxable income.

The provision for Hong Kong profits tax is based on the statutory rate of 16.5% (2024: 16.5%) of the assessable profits of subsidiaries incorporated in Hong Kong.

The provision for the current income tax of Leoch Battery Pte. is based on the tax rate of 17% for the year 2025 (2024: 17%).

The provision for PRC current income tax is based on the statutory rate of 25% of the assessable profits of the Group's subsidiaries in the PRC as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in the PRC which are taxed at preferential rates.

Jiangsu Leoch, Zhaoqing Leoch Battery, Anhui Leoch Power, Anhui Uplus and Anhui Leoch Energy were designated as high-tech enterprises by the PRC tax authorities and were entitled to a preferential tax rate of 15% for the year 2025.

Taihe Dahua, which engages in qualified recycling businesses, is entitled to a 10% deduction of revenue from manufacturing qualified products with mainly qualified raw materials.

The major components of income tax charge for the year are as follows:

	2025	2024
	RMB'000	*RMB'000*
		(Restated)
Current – PRC	**9,407**	33,406
Current – Hong Kong	**11,354**	1,866
Under/(Over) provision in prior years	**6,283**	(5,686)
Pillar Two income taxes – current tax*	**3,274**	–
Deferred tax	**(5,319)**	(2,125)
Total tax charge for the year from continuing operations	**24,999**	27,461
Total tax charge for the year from a discontinued operation	**113,120**	115,777
Total	**138,119**	143,238

* *The current tax expense mainly relates to the Cayman Islands.*

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rates for the jurisdictions in which the majority of the Company's subsidiaries are domiciled and/or operate to the tax expense at effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
			(Restated)	
(Loss)/Profit before tax from continuing operations	**(244,961)**		360,536	
(Loss)/Profit before tax from a discontinued operation	**192,413**		383,438	
Total	**(52,548)**		743,974	
Tax at the applicable tax rates	**(13,210)**	**25.1**	138,252	18.6
Tax concession for certain subsidiaries	**22,820**	**(43.4)**	(34,502)	(4.6)
Additional deductible research and development expenses	**(42,809)**	**81.5**	(36,918)	(5.0)
Income not subject to tax	**(542)**	**1.0**	(624)	(0.1)
Expenses not deductible for tax	**12,858**	**(24.5)**	12,191	1.6
Adjustments in respect of current tax of previous periods	**5,302**	**(10.1)**	11,396	1.5
Pillar Two income taxes	**3,274**	**(6.2)**	6,984	0.9
Utilisation of previously unrecognised tax losses	**(24,061)**	**45.9**	(6,184)	(0.8)
Tax losses not recognised	**174,487**	**(332.1)**	52,643	7.1
Tax charge at the Group's effective rate	**138,119**	**(262.8)**	143,238	19.3
Tax charge from continuing operations at the effective rate	**24,999**	**(10.2)**	27,461	7.6
Tax charge from a discontinued operation at the effective rate	**113,120**	**58.8**	115,777	30.2

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at 31 December 2025 in certain jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group should benefit from the transitional CbCR safe harbour for most of the jurisdictions in which the Group operates except for the Cayman Islands and Vietnam. The Group is still in the process of assessing the potential exposure to Pillar Two income taxes. Potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

9. DIVIDENDS

	2025	2024
	RMB'000	*RMB'000*
Proposed final – Nil (2024: HK7 cents) per share	**–**	90,959

No final dividend was proposed for the year of 2025.

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,418,454,159 (2024: 1,373,897,419) outstanding during the year, as adjusted to reflect the rights issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year 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 year, 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 (loss)/earnings per share are based on:

	2025	2024
	RMB'000	*RMB'000*
		(Restated)
(Loss)/Earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculations:		
From continuing operations	**(267,645)**	349,544
From a discontinued operation	**93,745**	254,083
Subtotal	**(173,900)**	603,627
Interest on convertible bonds	**10,032***	11,450
(Loss)/Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	**(163,868)**	615,077
Attributable to:		
Continuing operations	**(257,613)**	360,994
Discontinued operation	**93,745**	254,083
Total	**(163,868)**	615,077

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**1,418,454,159**	1,373,897,419
Effect of dilution – weighted average number of ordinary shares:		
Share options	**15,757,903**	24,560,157
Convertible bonds	**9,313,724**	60,000,000
Total	**1,443,525,786***	1,458,457,576

* Because the diluted earnings per share amount is increased when taking the share options and convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic earnings per share for the year and were ignored in the calculation of diluted earnings per share. Also, the convertible bonds were issued by the Company and were solely used for the purpose of continuing operations. Therefore, the diluted earnings per share amounts are based on the profit for the year of RMB(267,645,000), and the weighted average number of ordinary shares of 1,418,454,159 in issue outstanding during the year.

11. INVENTORIES

	2025	2024
	RMB'000	*RMB'000*
Raw materials	**636,351**	877,183
Work in progress	**1,083,646**	1,345,963
Finished goods	**338,401**	1,142,083
Total	**2,058,398**	3,365,229

At 31 December 2025, certain of the Group's inventories with a net carrying amount of approximately RMB74,500,000 (2024: RMB49,500,000) were pledged to secure general banking facilities granted to the Group.

12. TRADE RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**2,560,782**	3,836,188
Impairment	**(113,909)**	(131,910)
Net carrying amount	**2,446,873**	3,704,278

The Group grants different credit periods to its customers. Credit periods for individual customers are considered on a case-by-case basis. Certain customers are required to make partial payments 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. The Group's trade receivables of RMB1,324,991,000 (2024: RMB1,328,531,000) were under short term credit insurance and RMB24,112,000 (2024: RMB59,357,000) were under letters of credit. These amounts were included in discontinued operation. In addition, the Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing.

As at 31 December 2025, the Group pledged certain trade receivables amounting to RMB472,998,000 (2024: RMB611,395,000) to banks with recourse in exchange for cash. The proceeds from pledging the trade receivables of RMB147,451,000 (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.

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

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**1,879,591**	2,801,303
3 to 6 months	**377,038**	604,697
6 to 12 months	**121,870**	187,548
1 to 2 years	**41,429**	93,650
Over 2 years	**26,945**	17,080
Total	**2,446,873**	3,704,278

Movements in the loss allowance for impairment of trade receivables are as follows:

	2025	2024
	RMB'000	*RMB'000*
At beginning of year	**131,910**	73,128
Loss allowance included in a discontinued operation	**(32,037)**	–
Impairment losses, net *(note 5)*	**14,036**	58,782
At end of year	**113,909**	131,910

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Current		**Past due**		**Total**
	Customers with credit enhancement	**Ordinary customers**	**Customers with credit enhancement**	**Ordinary customers**	
Expected credit loss rate	**0.52%**	**2.17%**	**27.90%**	**100.00%**	**4.45%**
Gross carrying amount *(RMB'000)*	**2,031,322**	**365,681**	**94,828**	**68,951**	**2,560,782**
Expected credit losses *(RMB'000)*	**10,561**	**7,943**	**26,454**	**68,951**	**113,909**

As at 31 December 2024

	Current		Past due		Total
	Customers with credit enhancement	Ordinary customers	Customers with credit enhancement	Ordinary customers	
Expected credit loss rate	0.62%	1.79%	20.57%	100.00%	3.44%
Gross carrying amount *(RMB'000)*	3,144,713	476,745	139,397	75,333	3,836,188
Expected credit losses *(RMB'000)*	19,386	8,524	28,667	75,333	131,910

13. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The balances as at 31 December 2025 and 31 December 2024 represent bills receivable held by the Group which were measured at fair value through other comprehensive income, since the bills receivable were held within the business model whose objective was achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows were solely payments of principal and interest on the principal amount outstanding.

The ageing analysis of bills receivable presented based on the issue date at 31 December 2025 and 31 December 2024 is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**130,308**	123,169
3 to 6 months	**25,110**	36,590
6 to 12 months	**796**	1,407
Total	**156,214**	161,166

The net loss on changes in the fair value of the debt investments at fair value through other comprehensive income amounting to RMB230,000 (2024:net gain RMB461,000) was recognised in the consolidated statement of other comprehensive income during the year.

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025	2024
	RMB'000	*RMB'000*
Prepayments	**120,036**	356,931
Deposits and other receivables	**273,171**	297,357
Interest receivables	**4,478**	5,294
Loans to employees	**1,834**	3,758
	399,519	663,340

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

15. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	
	Assets	**Liabilities**
	RMB'000	***RMB'000***
CURRENT		
Listed equity investments, at fair value	**43**	**–**
Unlisted investments, at fair value	**13,741**	**–**
Other unlisted investment, at fair value	**23,891**	**–**
Put option, at fair value	**–**	**7,431**
Total	**37,675**	**7,431**
NON-CURRENT		
Unlisted investments, at fair value	**300,873**	**–**

	2024	
	Assets	Liabilities
	RMB'000	*RMB'000*
CURRENT		
Listed equity investments, at fair value	68	–
Commodity future and option contracts, at fair value	476	–
Other unlisted investment, at fair value	23,436	–
Put option, at fair value	–	10,371
Total	23,980	10,371
NON-CURRENT		
Unlisted investments, at fair value	306,461	–

The above listed equity investments were classified as financial assets at fair value through profit or loss as they were held for trading.

The Group uses derivative financial instruments, such as commodity future and option contracts, to manage the lead price fluctuation risk, which did not meet the criteria for hedge accounting and are measured at fair value through profit or loss.

The above other unlisted investment was the right to receive the proceeds from future sales of the properties. It was mandatorily classified as a financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest.

The above unlisted investments were fund investments that have defined investment period and there is contractual obligation to distribute.

16. CASH AND BANK BALANCES AND TIME DEPOSITS

	2025	2024
	RMB'000	*RMB'000*
Cash and bank balances	**658,179**	743,975
Time deposits	**537,069**	662,028
Subtotal	**1,195,248**	1,406,003
Less: Pledged for interest-bearing bank borrowings	**(3,533)**	(45,104)
Pledged for bills payable	**(285,520)**	(326,764)
Pledged for letters of credit	**(248,016)**	(290,160)
Subtotal	**(537,069)**	(662,028)
Cash and cash equivalents	**658,179**	743,975
Denominated in RMB	**1,111,739**	1,120,592
Denominated in US$	**47,977**	158,505
Denominated in HK$	**34,363**	61,391
Denominated in Indian Rupee	**–**	11,233
Denominated in Euro ("**EUR**")	**852**	11,190
Denominated in Singapore Dollar ("**SG$**")	**–**	7,657
Denominated in THB	**–**	7,651
Denominated in Malaysian Dollar ("**MYR**")	**–**	7,046
Denominated in GBP	**303**	6,729
Denominated in Sri Lankan Rupee	**–**	5,106
Denominated in Vietnam Dollar	**–**	4,886
Denominated in Australian Dollar ("**AU$**")	**–**	2,919
Denominated in MXN	**–**	1,001
Denominated in JPY	**14**	97
	1,195,248	1,406,003

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

17. TRADE AND BILLS PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Trade payables	**1,597,659**	1,187,451
Bills payable	**1,258,020**	1,415,586
Total	**2,855,679**	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:

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**1,462,847**	1,248,762
3 to 6 months	**574,293**	903,190
6 to 12 months	**760,815**	423,338
1 to 2 years	**45,559**	19,660
2 to 3 years	**9,794**	4,314
Over 3 years	**2,371**	3,773
Total	**2,855,679**	2,603,037

The trade payables are non-interest-bearing and are normally settled on 90-day terms. All the bills payable have maturity dates within 365 days. As at 31 December 2025, bills payable amounting to RMB860,159,000 (2024: RMB759,932,000) were issued on intercompany sales transactions within the Group and these bills were discounted to banks for short term financing.

As at 31 December 2025, certain of the Group's bills payable were secured by the pledge of certain of the Group's time deposits amounting to RMB285,520,000 (2024: RMB326,764,000).

18. OTHER PAYABLES AND ACCRUALS

	Notes	**2025**	2024
		RMB'000	*RMB'000*
Provision for social insurance and retirement benefits		**181,670**	169,437
Contract liabilities	*(a)*	**275,788**	281,795
Accrued expenses		**118,431**	117,711
Accrued payroll		**90,988**	100,454
Payables for purchase of items of property, plant and equipment		**79,515**	13,907
Provision for product warranties		**45,189**	53,156
Tax payables other than current income tax liabilities		**71,360**	72,256
Payables to non-controlling shareholders and senior management		**–**	28,000
Payables for acquisition of subsidiaries		**–**	38,516
Payables to Dr. Dong Li and MASTER ALLIANCE INVESTMENT LIMITED		**131,040**	–
Provision	*(b)*	**22,632**	66,117
Others	*(c)*	**68,677**	153,422
Total		**1,085,290**	1,094,771

Notes:

(a) Details of contract liabilities are as follows:

	31 December 2025	31 December 2024	1 January 2024
	RMB'000	*RMB'000*	*RMB'000*
Short-term advances received from customers			
Sale of goods	**275,788**	281,795	303,500

Contract liabilities are short-term advances received to deliver industrial products. The Contract liabilities of the Group, which included in continue operation and discontinue operation increase (2024: decrease) in contract liabilities was mainly due to the increase (2024: decrease) in short-term advances received from customers in relation to the sale of goods at the end of the year.

(b) The provision of RMB81,012,000 was recognised at the acquisition date of the acquiree Tianjin GS Battery Company Limited and Tianjin Juli Material Technology Co., Ltd. The provision is related to discharging the obligations to remediate pollution made over certain production plant locations. At the end of the reporting period, the balance of provision has been decreased to RMB 22,632,000.

(c) Other payables are non-interest-bearing and have no fixed terms of repayment.

19. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2025			31 December 2024		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current						
Interest-bearing bank borrowings, secured	**2.60 to 7.98**	**2026**	**1,232,634**	3.10 to 7.98 HIBOR+2.75	2025	760,600
Collateralised bank advances, secured	**1.97 to 2.70**	**2026**	**147,451**	2.01 to 5.00	2025	533,759
Interest-bearing bank borrowings, guaranteed	**2.50 to 7.05**	**2026**	**2,337,999**	2.00 to 7.69	2025	2,446,946
Interest-bearing bank borrowings, unsecured	**2.50 to 3.90**	**2026**	**142,567**	–	–	–
Current portion of long term bank borrowings, guaranteed	**LPR +Applicable margin**	**2026**	**550,000**	HIBOR +Applicable margin	2025	264,016
Total – current			**4,410,651**			4,005,321
Non-current						
Interest-bearing bank borrowings, secured	**2.26 to 2.26**	**2027-2038**	**515,026**	3.30 to 8.30	2026-2038	487,451
Interest-bearing bank borrowings, guaranteed	**2.95 to 8.25**	**2027-2028**	**215,278**	2.00 to 9.60	2026-2027	280,887
Interest-bearing bank borrowings, guaranteed	**LPR +Applicable margin**	**2027-2028**	**–**	HIBOR +Applicable margin	2026	347,872
Subtotal – non-current			**730,304**			1,116,210
Convertible bonds			**–**	18.11	2026	68,960
Total – non-current			**730,304**			1,185,170
Total			**5,140,955**			5,190,491
Denominated in RMB			**4,801,487**			3,988,873
Denominated in US$			**35,144**			650,708
Denominated in HK$			**304,324**			503,586
Denominated in SG$			**–**			9,341
Denominated in MYR			**–**			37,248
Denominated in EUR			**–**			735
			5,140,955			5,190,491

Analysed into:

	2025	2024
	RMB'000	*RMB'000*
Bank loans and advances repayable:		
Within one year	**4,410,651**	4,005,321
In the second year	**187,071**	468,276
In the third to fifth years, inclusive	**66,183**	663,333
Beyond five years	**477,050**	53,561
Total	**5,140,955**	5,190,491

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

(i) Pledge of the Group's assets with a total value of RMB1,359,566,000 (2024: RMB1,617,773,000) for the bank borrowings.

(ii) Loan Facility and Key Covenants

As of 31 December 2024, the Group had a term loan facility of US$70,375,000 and HKD231,075,000 under a facility agreement dated 24 April 2023. All outstanding borrowings under this facility were fully repaid in May 2025.

On 27 May 2025, a syndicated loan agreement comprising an A-term revolving facility and a B-term loan facility with an aggregate commitment of RMB600,000,000 was signed by certain of the Group's wholly-owned subsidiaries, with a syndicate of lenders.

As per the agreement, Dr. Dong Li, the Group's controlling shareholder must continue to exercise effective control and retain direct or indirect ownership of at least 51% of the parent business. Dr. Dong Li must also maintain at least 51% ownership and effective control over the proposed listed firm once the Group divests its direct share in it.

All of these requirements had been fulfilled as of the day the consolidated financial statements for the year ended December 31, 2025 were approved. Some of the Group's wholly-owned businesses offer guarantees for the loan commitments.

In addition, the loan is subject to a covenant that requires the borrower's tangible net worth shall always remain no less than RMB800,000,000, the guarantor's attributable net profit shall be positive for each relevant period, and other customary financial covenants. As of December 31, 2025, the guarantor reported an attributable net loss., the non-current portion of the related loan of the Group, amounting to approximately RMB150,000,000, has been reclassified as a current liability in accordance with the loan covenants.

As of 31 December 2025, the outstanding balance of the term loan under the New Facility Agreement amounted to RMB550,000,000, with repayment due within three years. The term loan bears interest at a rate of LPR plus a specified spread per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

For the avoidance of doubt, the discussion and analysis in this section headed "Management Discussion and Analysis" are presented on a total Group basis without segregation between the continuing operations and the discontinued operation. All figures refer to the results and financial position of the Group as a whole, unless references are expressly made to continuing operations, discontinued operations, or specific business segments, where applicable.

Business Review

In 2025, the global economy demonstrated fragile resilience amid intertwined pressures, resulting in a far more complex and uncertain international market environment than expected. A confluence of challenges, including escalating trade frictions, intensifying geopolitical conflicts, volatile financial markets, and intensifying industry competition, coupled with the recurring tariff wars that have undermined market confidence, all of which have posed severe tests to the steady operation and high-quality development of the Group's international business.

During the period, the Group's overall revenue recorded a slight growth with divergent contributions across regions. For the full year, the Group achieved revenue of approximately RMB17,211.6 million, representing a year-on-year increase of 6.7%. As at the end of the reporting period, the Group's total assets amounted to approximately RMB15,523.0 million, total equity amounted to approximately RMB4,842.4 million. Amid widespread pressure in the global market, the Group still achieved modest growth, mainly attributable to the strategic effectiveness of its global layout. However, due to persistent disturbances from factors such as trade frictions, geopolitical conflicts, and exchange rate fluctuations, business growth fell short of expectations, and growth across regional markets showed significant divergence. Meanwhile, the Group's profitability declined notably, turning from profit to loss, further highlighting operating pressure. Despite a 6.7% year-on-year growth in full-year sales revenue, profit margins continued to narrow, and the Group's annual profit shifted from a profit in 2024 to a loss of RMB190.7 million in 2025.

By Product Lines

In 2025, core product lines achieved coordinated and differentiated development across global regional markets, consolidating market positions in traditional advantageous sectors and core regions while achieving breakthroughs in emerging markets and potential product lines.

Data Center and Network Power Battery

As the Group's core revenue source, revenue from data center and network power battery amounted to approximately RMB7,160.1 million during the period, a year-on-year increase of 4.5%, accounting for 41.6% of the Group's total revenue. Benefiting from the deepening of the global digital economy and the accelerated deployment of cloud computing and 5G networks, rigid demand for UPS backup power from data centers and communication base stations continued to be released. The Group's EMS smart energy management products achieved a new leap from being "manual experience-driven" to "algorithm model-driven," thereby driving steady growth of the product line. Meanwhile, the Group focused on the iterative upgrade of high-power batteries, gel battery (GEL) valve-regulated sealed battery, integrated the battery management system (BMS), and strengthened its advantages in high reliability and safety, becoming a long-term partner of leading communication enterprises. It also expanded backup power scenarios in the power, radio and television, railway, and other sectors to further broaden revenue sources. In terms of regional adaptation, the product line focused on high-end data center demand in mature European and American markets and prioritized communication base station support in emerging markets, forming a differentiated product supply system that supported modest global growth and aligned with the industry trend of global lead-acid battery upgrading.

As the Group's future core growth engine, the energy storage systems (ESS) business continued to accelerate its layout in 2025. Although specific revenue data was not separately disclosed, the business upgraded from product supply to scenario-based solutions, with continuous release of growth potential. Driven by the global promotion of the Dual Carbon Goals, renewable energy sources such as photovoltaic and wind power were deeply integrated with energy storage systems. The Group focused on the R&D and launch of commercial and industrial, and large-scale energy storage systems, rolling out products including photovoltaic energy storage integrated machines and 500kWh containerized energy storage units, which have been deployed in multiple microgrid projects in Europe. It also deepened cooperation with scientific research institutions to promote the industrial application of graphene-enhanced lead-carbon batteries, improved product performance, and expanded energy storage markets in Europe, America, Southeast Asia and other regions via its global sales network, in deep alignment with the Group's global layout strategy.

SLI Battery

As the Group's second product line, revenue from SLI battery amounted to approximately RMB6,452.4 million during the period, a year-on-year increase of 8.8%, accounting for 37.5% of the Group's total revenue. Steady growth in global automobile production during the year, especially the continuous expansion of automobile ownership in emerging markets, coupled with the Group's product upgrading and optimized regional layout, drove rapid growth of the product line. The Group's maintenance-free start-stop batteries are adapted to diversified demands such as auxiliary power supplies for new energy vehicles and fuel vehicles. For special regions with high temperatures such as Africa, the Group optimized the plate alloy formula to reduce product failure rates, gaining high recognition in local markets. Relying on the production capacity advantages of overseas bases such as Vietnam, the Group improved regional supply efficiency. The Group's low-voltage auxiliary lithium battery for vehicles was also gradually launched to the market.

Motive Power Battery

During the period, revenue from motive power battery amounted to RMB1,404.1 million, a year-on-year decrease of 2.6%, accounting for 8.2% of the Group's total revenue. The Group focused on application scenarios such as logistics vehicles, forklifts, and low-speed electric vehicles, promoting the R&D and application of lithium iron phosphate (LiFePO4) battery packs. The products passed IP67 protection certification with a cycle life of over 3,000 times, maintaining competitive advantages in the industrial power sector. Meanwhile, the Group advanced domestic channel construction in advance, strengthened cooperation with OEM manufacturers, expanded the after-sales spare parts market, and simultaneously explored power demand for special vehicles such as golf carts and sweepers to foster new growth highlights and lay a foundation for subsequent market recovery. Despite substitution pressure from lithium batteries in the new energy vehicle sector, the Group launched dual configurations of lead-acid and lithium battery to provide customers with more solutions.

Recycled Lead Business

During the period, revenue from the recycled lead business amounted to approximately RMB1,758.3 million, a year-on-year increase of 8.4%, accounting for 10.2% of the Group's total revenue. During the reporting period, the domestic output of waste lead-acid batteries continued to increase, and the policy stipulated that the standardized collection rate of waste lead-acid batteries would reach 70% in 2025, providing strong support for business development. Relying on its full-industry-chain advantages, the Group improved the layout of its recycling network, optimized recycling processes to increase the utilization rate of recycled lead, and realized a green closed-loop of "production-usage-recycling", aligning with the industry's green transformation trend.

By Regions

Chinese Mainland Region

As the Group's core market, revenue from the Chinese mainland region amounted to approximately RMB10,081.1 million during the period, a year-on-year increase of 6.4%, accounting for 58.6% of the Group's total revenue, supported by strong domestic demand in the data center market and expansion of local channel markets. The region gathers multiple production bases and R&D resources of the Group, with both data center and network power battery businesses achieving growth. The SLI battery business maintained steady growth focusing on the domestic automotive aftermarket and OEM supporting. Meanwhile, the Group continued to promote green intelligent manufacturing upgrading and technological innovation in China, with production bases in Anhui, Jiangsu and other regions realizing low-carbon and efficient production, further consolidating its advantages in the core market.

America Region

During the period, the region achieved revenue of approximately RMB2,547.1 million, a slight year-on-year decrease of 0.9%, accounting for approximately 14.8% of the Group's total revenue. In 2025, US tariff policies exerted significant pressure on regional profits. Frequent changes in US tariffs led to strong wait-and-see sentiment among major US customers, resulting in a slowdown in revenue growth. Despite various measures taken by the Company in the Americas region, a decline of nearly 1% was still recorded, and the results of the intensified efforts are expected to materialize in due course.

The Americas exhibit a high-end consumption demand. The Group focused on two core product lines, namely data center and network power battery and SLI batteries, targeting core application scenarios such as high-end data center backup power and original automotive equipment. Relying on product and technological advantages and localized service capabilities, the Group continued to deepen strategic cooperation with core customers in the region. Going forward, the Group will optimize regional supply layout and improve supply efficiency by leveraging the production capacity advantage of its Mexico production base, and gradually expand into emerging South American markets.

EMEA Region

During the period, revenue from EMEA (Europe, the Middle East and Africa) amounted to approximately RMB2,966.3 million, a year-on-year increase of approximately 7.7%, accounting for approximately 17.2% of the Group's global total revenue. The European market focused on high-end demand such as data centers and energy storage systems, and the Group's energy storage products and high-end network power battery gained wide recognition. Emerging markets in the Middle East and Africa drove rapid growth in demand for SLI battery and basic communication power supplies driven by the increase in automobile and motorcycle ownership and the upgrading of power infrastructure. Meanwhile, the Group's corrosion-resistant battery optimized for high-temperature environments in Africa was highly recognized by local markets. During the period, the Group further improved the sales network and localized service system in the region. Benefiting from the global energy transition and infrastructure upgrading dividends in emerging markets, the business growth potential continued to be released.

Asia Pacific Region (excluding Mainland China)

During the period, revenue from Asia Pacific (excluding Mainland China) amounted to approximately RMB1,617.0 million, a year-on-year increase of 21.9%, making it the Group's fastest-growing regional market with certain development potential. Covering emerging markets such as India, Malaysia and Southeast Asia, the region enjoys rapid economic growth and inadequate power infrastructure, resulting in strong potential demand for data centre batteries, communication power supplies, energy storage products and SLI batteries, which are highly compatible with the Group's product lines. Relying on local production bases in Malaysia, Vietnam and other regions, the Group realized localized production and rapid supply, focused on expanding its network power battery and SLI battery businesses, and gradually laid out the energy storage market, aligning with the trend of power infrastructure upgrading and growing energy storage demand in Southeast Asia.

Amid the complex industry environment and market challenges, the Group's management coordinated the advancement of various businesses. Network power battery, SLI battery and energy storage businesses accelerated their layout, continuously injecting momentum into the Group's development. Although the motive power battery business faced short-term pressure, it has laid a foundation for future recovery through structural optimization and strategic adjustment. Meanwhile, the Group is clearly aware that current business development still faces multiple challenges such as intensifying industry competition, raw material price fluctuations, and emerging technological iterations, coupled with external factors such as US tariff policies, leading to significant fluctuations in the Group's profitability during the period. Facing the complex and volatile internal and external environment, the Group will continue to focus on its core business, strengthen its core competitive advantages, steadily advance its global layout and technological innovation upgrading, and remain firmly optimistic about achieving sustained and steady development and long-term value enhancement in the future.

PROSPECTS

Currently, generative artificial intelligence and large models are driving digital transformation toward the deep penetration into computing power infrastructure. The construction of global hyperscale data centers and intelligent computing centers has entered a new phase of large-scale expansion, where high-reliability, high-stability and highly compatible backup power supplies have become the cornerstone for ensuring the round-the-clock safe operation of computing networks. According to data from International Data Corporation (IDC) and Fortune Business Insights, the market size of global data center reached US$286 billion in 2025, with a compound annual growth rate (CAGR) of 11.2% from 2025 to 2032. Goldman Sachs research also predicts that global data center capacity will reach 92 GW by 2027, with the share of AI workloads rising to 28%. The global investment scale in data centers over the next five years is projected to be US$3 trillion, presenting clear growth opportunities for the industry. Against this backdrop, the global energy transition is simultaneously entering a new phase of intensified acceleration. As a key support for the energy revolution, new energy storage is seeing widespread deployment in scenarios such as power peak shaving, renewable energy integration, data center support, and industrial and commercial microgrids. Demand for high-performance, long-lifecycle, green, and low-carbon energy storage solutions continues to surge. According to data from Markets and Markets, the market size of global energy storage system reached US$241.47 billion in 2025 and is expected to grow at a CAGR of 12.2% to US$763.47 billion by 2035. The industry has officially entered a golden period of rapid growth.

Simultaneously, as the large-scale commercial deployment of 5G continues to accelerate globally, computing power networks are achieving deeper synergy, and ubiquitous communication infrastructure is being continuously enhanced. The construction of key nodes such as communication base stations, core equipment rooms and backbone transmission hubs has entered a new stage of quality improvement and capacity expansion. As the core line of defense for ensuring stable network signal transmission and uninterrupted business operations, the market demand for network energy batteries for communication use continues to unfold. Coupled with the accelerated promotion of 6G technology research and development (R&D) and standard formulation by major global economies, ubiquitous coverage has become a key direction for future development. According to LP Information, the market size of the global communication battery backup system reached approximately US$5.614 billion in 2024 and is expected to grow at a CAGR of 8.2% to US$9.632 billion from 2025 to 2031. China, as one of the world's largest telecom backup battery markets, is expected to see its market size exceed RMB20 billion in 2025, with an average CAGR maintained over 8%. Looking at the power grid sector, trends toward digitalization, greening and regional synergistic development are becoming increasingly significant. Digital and intelligent robust power grids have become the mainstream direction of global development. Countries are accelerating the deep integration of power grids with energy storage and communication technologies, continuously strengthening grid flexibility and reliability to adapt to the needs of high-proportion renewable energy integration and facilitate the construction of energy internet. Global power grids are accelerating their transformation from traditional power transmission carriers to comprehensive energy hubs. Technology integration and synergy upgrading have become the core focus of various countries. According to the forecasts by the International Energy Agency (IEA), the market size of the global smart grid had exceeded US$150 billion in 2025, with a CAGR of approximately 12% from 2025 to 2030. The continuous expansion of market size will provide strong support for technology assimilation and renewable energy grid integration.

As an enterprise that has long been providing comprehensive one-stop energy solutions to leading global data center operators, communication operators and power companies, the Group will firmly seize the multiple historic opportunities presented by the global upgrade of communication infrastructure, the construction of new power systems, the popularization of digitalized intelligent grids and the deep integration of computing power centers and energy storage. By addressing the core demands of communication base stations, core equipment rooms, intelligent computing centers and new power systems for highly reliable, stable and long-cycle power guarantees with precision, and relying on its full-chain R&D capabilities, globalized manufacturing regime and high-quality top-tier customer resources accumulated from years of deep cultivation in the energy sector, the Group, with its dual-technology mainstay of lead-acid and lithium batteries, global authoritative certifications, and core advantages in green manufacturing, will continue to deepen its presence in mainstream mature markets both domestically and internationally, while actively expanding into emerging incremental opportunities. By focusing on high-reliability backup power systems, energy storage systems and integrated energy solutions, it aims to deeply penetrate the global high-end energy storage and smart grid supporting markets. The goal is to ultimately build solid competitive barriers with high-quality products and efficient services, organically integrate and create synergy among its energy storage business, data center energy ancillary capacity, communication backup power and power grid adaptation businesses, effectively translate industry development dividends into sustainable growth momentum, comprehensively increase global market share, achieve a simultaneous leap in business scale and market share, and construct a high-quality, synergistic long-term growth layout.

At the same time, the Group also recognizes that global economic recovery will continue to show regional divergence. Geopolitical risks remain high, trade protectionism is intensifying, and these factors persistently disrupt the global industrial landscape. The restructuring of supply chains towards regionalization and localization continues to deepen, pushing global industries to accelerate their evolution towards a multi-regionally synergistic and more resilient networked structure. Amid multiple challenges such as geopolitical conflicts and high costs, the strategic value of a globalized production capacity layout is becoming increasingly prominent. Leoch International will continue to leverage its advantages in global production capacity layout, actively respond to external risks, achieve efficient supply chain coordination and rapid customer response, optimize procurement and logistics costs, enhance supply chain stability, and continuously strengthen its core competitiveness.

Continuously expanding the energy storage and ancillary system business, focusing on building enterprise's future core growth engine

As global installed renewable energy capacity continues to rise and the demand for flexibility, stability and efficient scheduling in power grids becomes increasingly urgent, energy storage systems have become core infrastructure for ensuring grid stability and improving energy utilization efficiency. Leveraging core functions such as peak shaving and valley filling, frequency and peak regulation, backup power assurance and grid ancillary services, energy storage systems are widely deployed across diverse scenarios including grid-side new energy storage, commercial and industrial energy storage, and user-side energy storage. Among these, commercial and industrial energy storage is rapidly gaining popularity due to its core values such as buy-low sell-high arrangement, demand volume optimization and uninterrupted power supply, becoming a major growth driver and pushing the energy storage industry toward a historic leap. Simultaneously, the large-scale implementation of green energy and distributed energy storage has directly propelled battery management systems (BMS) and energy management systems (EMS) into a phase of accelerated growth. Comprehensive energy solutions characterized by high intelligence, ultimate reliability and full-scenario adaptability are highly favoured by the market and are ushering in tremendous market growth opportunities.

The Group will continue to increase its full-chain R&D and product investment in lithium battery core products, BMS, EMS and integrated energy storage solutions. It will continuously enhance the performance of lithium battery cells, strengthen system synergy and control capabilities, and comprehensively enhance the operational efficiency, safety, reliability, environmental adaptability and overall economic benefits of its lithium battery and energy storage products. By addressing diversified application scenarios such as large-scale energy storage, grid-side energy storage and commercial and industrial energy storage with precision, it will actively seize the strategic opportunities presented by the rapid development of the global new energy and energy storage industry. Focusing on breaking through core technological barriers in lithium batteries and energy storage, it will continuously consolidate its core competitiveness in technology and products, and strive to build a powerful new growth engine for the future high-quality development of the Group.

Leveraging the development opportunities of computing infrastructure construction to steadily advance the network energy battery business for data centers

As the demand for AI and high-performance computing continues to rise, the global construction of hyperscale data centers and intelligent computing centers has entered a new phase of rapid growth. The global market for network energy batteries for data centers is expanding alongside the increase in computing power density. Computing power loads are accelerating towards higher power, higher density, and greater continuity, imposing stricter requirements on power supply stability, instantaneous response capabilities, and backup reliability. The power assurance system has become a critical support for the round-the-clock stable operation of computing infrastructure.

The Group's network energy batteries for data centers combine excellent safety, reliability, and cost advantages, and precisely meet the stringent requirements of AI data centers for instantaneous backup power and voltage stability. Its core technologies and product quality maintain a leading position in the global data center battery sector, earning high recognition from top industry players. According to the statistics from a leading global enterprise growth consulting and market research institution, the Group ranked second globally in terms of network energy battery sales revenue and ranked first globally in terms of data center battery sales, clearly demonstrating its leading competitive strength in the network energy battery segment. In 2025, the Group continued to win bids for projects with numerous leading domestic and international communications and data center companies, thereby securing a stable order foundation for future business development. Moving forward, the Group will continue to increase strategic investment in the data center and telecommunications network energy battery sector, iterate and upgrade product performance, further consolidate its leading industry position, and drive the network energy battery business towards high-quality and rapid growth.

Deepening focus on the core telecommunications network energy battery sector to empower the digital and intelligent development of global telecommunications operators

With the continuous expansion of 5G network construction, the iteration and upgrade of global telecommunications infrastructure, and the ongoing expansion of communication coverage in remote areas, the global telecommunications network energy battery market is entering a period of steady growth. Core facilities such as communication base stations and equipment rooms have increasingly stringent requirements for power supply continuity, environmental adaptability, and operational convenience. As the "lifeline" ensuring the uninterrupted operation of communication networks, telecommunications network energy batteries have become a core support for the high-quality development of telecommunications infrastructure, further driving the upgrade of telecommunications network energy batteries towards high reliability, long life, and green sustainability.

The Group has deeply cultivated the telecommunications network energy battery sector for many years, offering a comprehensive portfolio of telecommunications network energy battery solutions, including lead-acid batteries and lithium iron phosphate batteries. These solutions offer excellent environmental adaptability, long cycle life, and cost advantages, precisely matching the backup power needs of telecommunications operators worldwide across a range of scenarios, including base stations, equipment rooms, and emergency communication equipment. Leveraging its stable product quality and a comprehensive service mechanism, the Group has become a core partner for leading global telecommunications operators. In 2025, in addition to maintaining collaboration with domestic leading operators such as China Mobile, China Unicom, and China Tower, the Group also secured orders from overseas mainstream telecommunications enterprises in markets including those in South Africa, Turkey, and Colombia. Moving forward, the Group will continue to increase R&D and strategic investment in the telecommunications network energy battery sector, accelerate the iteration and intelligent upgrade of its lithium products, enhance its global service network, reinforce its leading industry position, and drive the telecommunications network energy battery business towards scalable and high-quality growth, thereby safeguarding the stable operation of global telecommunications infrastructure.

Building on the core automotive start-stop battery business to support high-quality and green development of the new energy vehicle industry

As the global penetration rate of new energy vehicles continues to rise, start-stop systems have become universally standard in fuel vehicles, and energy-saving and emission-reduction policies are increasingly tightened worldwide, the global automotive start-stop battery market is entering a period of structural upgrade. While traditional lead-acid start-stop batteries continue to serve conventional fuel vehicles and some hybrid models, the adaptability requirements for start-stop batteries in new energy vehicles have significantly increased. Lithium start-stop batteries, as core supporting products tailored for new energy vehicles, leverage their advantages of high efficiency, long life, and green low-carbon characteristics, have become the core direction of industry upgrading, forming a "lithium + lead-acid" dual-market structure.

The Group has been deeply rooted in the automotive start-stop battery market for many years, with products comprehensively covering both lead-acid start-stop batteries and lithium start-stop batteries. Among these, the Group places particular emphasis on the deployment of lithium start-stop battery solutions tailored for new energy vehicles. These products utilize the lithium iron phosphate core technology, combining lightweight construction, high reliability, long cycle life, and rapid charge-discharge capabilities. They precisely meet the starting, emergency backup power, and auxiliary power supply needs of various new energy vehicles, including battery electric vehicles, plug-in hybrid electric vehicles, and range-extended electric vehicles. Simultaneously, traditional lead-acid start-stop batteries continue to serve the global conventional fuel vehicle market and certain hybrid models, leveraging their mature technology, stable quality, and cost advantages. With a comprehensive product matrix, stringent quality control, and a robust supply chain system, the Group has become a core supporting partner for numerous mainstream domestic and international automakers and new energy vehicle manufacturers. Moving forward, the Group will continue to increase R&D and strategic investment in the automotive start-stop battery sector. It will focus on advancing the technological iteration and intelligent upgrading of lithium start-stop batteries, optimizing the performance of lead-acid battery products, and expanding its customer base among global automakers, thereby consolidating its core industry position and driving the automotive start-stop battery business towards high-end, green, and large-scale development, providing solid support for the upgrading of the global new energy vehicle industry.

Continuously increase R&D and innovation investment to build core technology and product barriers

To date, the Group has accumulated over 1,000 core patents, holding a leading advantage in both international standard-setting influence and global product certifications. The Company actively takes the lead in the formulation of multiple international product standards and Chinese national standards, laying a solid foundation for establishing industry rules. Its technological capabilities are fully aligned with international standard systems, having obtained numerous globally authoritative certifications including German VdS, US UL, EU CE, and IEC. Among these, the rigorous testing and certification of its core products by UL Solutions, a top-tier international institution, has become a crucial passport for the Group to successfully enter high-end markets such as North America, and effectively helps the Company enhance its international competitiveness, strengthen global brand recognition, and build a solid barrier for expanding into domestic and overseas markets.

Amidst the profound transformation of the global energy and digital industries, battery technology is rapidly evolving towards high energy density, high-rate performance, wide temperature range adaptability, and full-scenario applications. The Group consistently adheres to technology R&D and independent innovation as its core driving forces, constructing a diversified technology matrix with lead-acid batteries and lithium batteries as the two main pillars, along with the synergistic development of cutting-edge technologies and products such as pure lead batteries, lead-carbon batteries, and sodium-ion batteries. It continuously increases R&D investment in new materials, new processes, new structures, and new scenarios, and constantly strengthens cell performance, system integration, and safety control capabilities, thereby driving the iterative upgrade of traditional advantageous products and the forward-looking layout of emerging technology roadmaps. Through a full spectrum of high-performance and high-safety product portfolios, it precisely meets the diverse market demands of the global energy storage, data centers, communication backup power, start-stop systems, industrial power, and green energy, providing solid technical support and sustained innovation momentum for the Group's long-term high-quality development.

Despite the ongoing uncertainties in the global geopolitical landscape, supply chain fluctuations, and the trade environment, the Group will continue to refine its business operations and deepen global supply chain management, build a solid foundation for development through prudent operations and calmly respond to changes in the external environment. Simultaneously, by continuously increasing investment in technology R&D and product iteration and upgrades, the Group aims to empower global customers with high-quality products and professional services, constantly reinforce and consolidate its core competitive position in the industry, and drive the business towards long-term sustainable growth. It is committed to becoming a globally leading provider of smart energy solutions and creating a stable and long lasting long-term value for all shareholders.

In February 2025, the Company published an announcement in relation to the proposed spin-off and separate listing of its wholly-owned subsidiary, Leoch Energy Inc., in the United States of America (the "**Proposed Spin-off**"). On 30 December 2025, the wholly-owned subsidiary, Leoch Energy Inc., publicly filed a registration statement on Form 20-F with the relevant U.S. Securities and Exchange Commission in connection with the Proposed Spin-off. At the extraordinary general meeting held on 7 January 2026, the Company approved the Proposed Spin-off and proposed distribution, as well as the continuing connected transactions relating to the product procurement framework agreement and the transactions contemplated thereunder (capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 15 December 2025). As of 31 March 2026, the listing application of the SpinCo is currently under review by the U.S. authorities. Leoch Energy Inc. and its subsidiaries are principally engaged in the reserve power batteries, SLI batteries and motive power batteries businesses in the Europe, Middle East and Africa, the Americas and the Asia-Pacific regions (excluding Chinese Mainland, Hong Kong and Macau). This strategic action aims to allow both the Retained Group and the SpinCo to focus more on their respective regional development priorities, implement differentiated configurations to meet customer needs in different regions, optimize operational management, business focus, and resource allocation, and unlock and enhance the market value of both the Retained Group and the SpinCo while achieving respective market share growth. For further details, please refer to the Company's announcements.

FINANCIAL REVIEW

For the avoidance of doubt, the discussion and analysis in this section headed "Financial Review" are presented on a total Group basis without segregation between the continuing operations and the discontinued operation. All figures refer to the results and financial position of the Group as a whole, unless references are expressly made to continuing operations, discontinued operations, or specific business segments, where applicable.

For the Period, the Group's revenue amounted to RMB17,211.6 million, representing an increase of 6.7% from RMB16,126.5 million for the corresponding period in 2024. The loss for the Period amounted to RMB190.7 million, of which loss attributable to the owners of the parent amounted to RMB173.9 million, as compared to a profit of RMB600.7 million for the year ended 31 December 2024, of which the profit attributable to the owners of the parent amounted to RMB603.7 million. Basic loss per share for the Period was RMB0.12 (Basic earnings per share for 2024: RMB0.44).

Revenue

The Group's revenue from the power solutions business increased from RMB14,503.8 million for the year ended 31 December 2024 to RMB15,453.3 million for the Period, representing a growth rate of 6.5%. The Group's revenue from the recycled lead business increased from RMB1,622.7 million for the year ended 31 December 2024 to RMB1,758.3 million for the Period, representing a growth rate of 8.4%.

The Group's year-on-year revenue breakdown by product category for 2025 and 2024 is set out below:

	2025			2024	
Product category	**Revenue** *RMB'000*	**Percentage share**	**Percentage increase/ (decrease)**	Revenue *RMB'000*	Percentage share
Reserve power batteries	**7,160,084**	**41.6%**	**4.5%**	6,852,789	42.5%
SLI batteries	**6,452,412**	**37.5%**	**8.8%**	5,931,642	36.8%
Motive power batteries	**1,404,080**	**8.2%**	**-2.6%**	1,442,049	8.9%
Others	**436,764**	**2.54%**	**57.5%**	277,339	1.7%
Sub-total	**15,453,340**	**89.8%**	**6.5%**	14,503,819	89.9%
Recycled lead products	**1,758,256**	**10.2%**	**8.4%**	1,622,658	10.1%
Total	**17,211,596**	**100%**	**6.7%**	16,126,477	100.0%

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

The Group's year-on-year revenue breakdown by customer location for 2025 and 2024 is set out below:

	2025			2024	
	Revenue	**Percentage share**	**Percentage increase**	Revenue	Percentage share
	RMB'000			*RMB'000*	
Mainland China	**10,081,140**	**58.6%**	**6.4%**	9,474,381	58.8%
EMEA	**2,966,303**	**17.2%**	**7.7%**	2,753,830	17.1%
Americas	**2,547,116**	**14.8%**	**-0.9%**	2,571,306	15.9%
Asia-Pacific (other than the Mainland China)	**1,617,037**	**9.4%**	**21.9%**	1,326,960	8.2%
Total	**17,211,596**	**100%**	**6.7%**	16,126,477	100%

Cost of Sales

The Group's cost of sales increased from RMB13,859.6 million for the year ended 31 December 2024 to RMB15,599.0 million for the Period, representing an increase of 12.6%. This was mainly attributable to external factors such as the imposition of additional import tariffs globally by the US government, coupled with the concentrated commissioning of new workshops and concentrated trial production of new products, which drove up unit production costs in 2025. Additionally, factors such as the substantial adjustments to the product mix arising from the development of emerging overseas markets, and the difficulty in achieving procurement cost savings in the short term following the commissioning of new overseas plants, collectively affected the achievement of the Group's goals for quality improvement and efficiency enhancement. The Company has made certain adjustments in customer structure, product structure and pricing, and we believe that the gross profit will be improved in the coming year.

Gross Profit

The Group's gross profit decreased by 28.9% from RMB2,266.8 million for the year ended 31 December 2024 to RMB1,612.6 million for the Period. The overall gross profit margin decreased from 14.1% for the year ended 31 December 2024 to 9.4% for the Period, mainly due to the global tariff war and the ramp-up phase of newly built plants and production lines, which drove up sales fulfillment costs and unit production costs. The 3% appreciation of RMB was also a major factor contributing to the decrease of the gross profit.

Other Income and Gains

Other income and gains decreased by 16.6% from RMB240.9 million for the year ended 31 December 2024 to RMB200.8 million for the Period as a result of the decline in foreign exchange gains during the Period.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by 2.4% from RMB534.7 million for the year ended 31 December 2024 to RMB547.7 million for the Period. The increase was mainly attributable to increased foundational investments in expanding sales channels and enhancing service capabilities in existing markets, as well as additional upfront investments such as additional personnel and market research to develop incremental markets.

Administrative Expenses

The Group's administrative expenses increased by 32.4% from RMB500.2 million for the year ended 31 December 2024 to RMB662.2 million for the Period. The increase was mainly due to the active expansion and development strategies adopted by overseas operating entities during the Period, the continuous improvement of their respective organizational structures and functions, as well as the rapid growth in human resource costs and external consulting and audit fees.

R&D Costs

R&D costs of the Group increased by 9.3% from RMB342.6 million for the year ended 31 December 2024 to RMB374.4 million for the Period as a result of an increase of approximately 100 R&D personnel compared with last year, which led to a significant rise in labor costs.

Other Expenses

The Group's other expenses decreased by 22.2% from RMB32.4 million for the year ended 31 December 2024 to RMB25.2 million for the Period.

Finance Costs

The Group's finance costs decreased by 7.0% from RMB300.0 million for the year ended 31 December 2024 to RMB279.0 million for the Period mainly due to a reduction in overall financing costs in 2025 through measures such as "enhancing cooperation with major policy banks and state-owned banks" and "replacing high-cost credit facilities in previous years with newly added low-cost credit facilities".

Profit before Tax

As a result of the foregoing factors, the Group recorded a loss before tax of RMB52.5 million for the Period as compared to a profit of RMB744.0 million for the year ended 31 December 2024.

Income Tax Expense

Income tax expense decreased by 3.56% from RMB143.2 million for the year ended 31 December 2024 to RMB138.1 million for the Period.

Profit for the Year

As a result of the foregoing factors, the Group recorded a loss of RMB190.7 million (2024: a profit of RMB600.7 million) and a loss attributable to the owners of the parent of RMB173.9 million (2024: a profit of RMB603.6 million) for the Period.

Including: Analysis of Profit for the Year Attributable to Assets of the Disposal Group Classified as Held for Distribution to Owners

On 12 February 2025, the Company submitted a proposal to the Stock Exchange for the Proposed Spin-off of the SpinCo in the U.S. The Company has obtained approval from the Stock Exchange for the "permission to proceed with the Proposed Spin-off". On 31 December 2025, the Form 20-F was publicly submitted, and on 7 January 2026, an extraordinary general meeting was convened to approve the Proposed Spin-off. As of the date of this announcement, the SpinCo is a direct wholly-owned subsidiary of the Company. The Proposed Spin-off will enable investors to gain a clearer understanding of the businesses in different sectors and be able to make better-informed investment decisions, thereby achieving a reasonable valuation for the Group and enhancing the interests of all shareholders of both the Retained Group and the SpinCo Group.

The Group's assets of the disposal group classified as held for distribution to owners recorded a profit of RMB79.3 million during the Period, compared to a profit of RMB267.7 million for the year 2024, mainly due to changes in tariff policies in global customer markets.

Net Current Liabilities

As at 31 December 2025, the Group's net current liabilities of RMB275.2 million (2024: net current assets of RMB1,303.2 million). The Group's current assets mainly consist of inventories, trade receivables, debt investments at fair value through other comprehensive income, cash and bank balances, prepayments, other receivables and other assets. The Group's current liabilities mainly consist of trade and bills payables, other payables and accruals, and interest-bearing bank borrowings.

Inventories

Inventories constitute a principal and significant component of the Group's current assets. As at 31 December 2025, the Group had inventories of RMB2,955.1 million (2024: RMB3,365.2 million), representing a decrease of 12.2% compared with last year. The decrease in inventories was mainly due to the continuous enhancement of the Company's lean production capabilities and the improvement in inventory turnover efficiency.

Trade Receivables

The Group's trade receivables primarily relate to receivables for goods sold to its customers and mainly comprised customers from the power solutions business. As at 31 December 2025, the Group had trade receivables of RMB4,000.3 million (2024: RMB3,704.3 million), representing an increase of 8.0% compared with last year. The increase in trade receivables was mainly attributable to the increased sales scale.

Prepayments, Other Receivables and Other Assets

The Group's prepayments mostly relate to the purchase of raw materials. As at 31 December 2025, the Group had prepayments, other receivables and other assets of RMB633.5 million (2024: RMB663.3 million), representing a decrease of 4.5% compared with last year. The decrease was mainly attributable to a reduction in the proportion of prepayments to material suppliers.

Assets Directly Associated with the Assets Classified as Held for Distribution to Owners

On 12 February 2025, the Company submitted a proposal to the Stock Exchange for the Proposed Spin-off of the SpinCo in the U.S. The Company has obtained approval from the Stock Exchange for the "permission to proceed with the Proposed Spin-off". Accordingly, in the 2025 annual report, various assets relating to the SpinCo will be included under the "assets held for sale". The balance of this item for the Group during the Period amounted to RMB4,586.5 million.

Trade and Bills Payables

The Group's trade and bills payables primarily relate to its purchase of raw materials for production. As at 31 December 2025, the Group had trade and bills payables of RMB3,074.1 million (2024: RMB2,603.0 million), representing an increase of 18.1% compared with last year. The increase in trade payables was attributable to the Group's procurement of raw materials for inventory and the purchase of significant machinery and equipment for the new overseas plant during the year. The increase in bills payable was due to the Company's higher utilization rate of "payment for goods by bills".

Other Payables and Accruals

The Group's other payables and accruals primarily consisted of provision for social insurance and retirement benefits, payments for expenditures related to construction and renovation of production facilities, payments in connection with transportation charges, contract liabilities, and accruals for payroll and benefits for its employees. As at 31 December 2025, the Group had other payables and accruals of RMB1,238.7 million (2024: RMB1,094.8 million), representing an increase of 13.1% compared with last year. The increase was mainly attributable to an increase in construction payables resulting from quality improvement and production capacity expansion, as well as an increase in receipts in advance driven by the growth in the Company's sales scale and optimization of customer structure.

Liabilities of the Spin-Off Entity Classified as Held For Sale

As at 31 December 2025, liabilities of the spin-off entity of the Group classified as held for sale amounted to RMB1,226.5 million.

Capital Expenditures

During the Period, the Group invested RMB1,202.4 million (2024: RMB832.4 million) in property, plant and equipment for its new production facilities.

Liquidity and Financial Resources

As at 31 December 2025, the Group's net current liabilities of RMB275.2 million (2024: net current assets of RMB1,303.2 million). among which cash and bank deposits amounted to RMB1,469.3 million (2024: RMB1,406.0 million). As at 31 December 2025, the Group had bank borrowings of RMB5,633.3 million (2024: RMB5,121.5 million), all of which are interest-bearing. Except for borrowings of RMB761.0 million (2024: RMB1,116.2 million) which had a maturity of over one year, all of the Group's bank borrowings were repayable within one year. The Group's borrowings were denominated in RMB, US dollars, HK dollars, Singapore dollars, Malaysian ringgits and Euro, and the effective interest rates of which as of 31 December 2025 were 1.97% to 8.25% (2024: 2.00% to 9.60%).

A portion of the Group's bank borrowings was secured by pledges over certain assets of the Group including property, plant and equipment, leasehold lands, deposits, inventory, trade receivables and equity interests in the Company's subsidiaries. As at 31 December 2025, the Group's gearing ratio was 36.3% (2024: 35.3%), which was calculated by dividing total borrowings by total assets as at the end of each respective period, and multiplying by 100%.

Contingent Liabilities

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

Foreign Exchange Risk

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 into foreign currencies in connection with payments is subject to regulatory restrictions on currency conversion in the PRC. The value of the RMB against the US dollars and other currencies may fluctuate and is affected by, among other things, changes in the political and economic conditions in the PRC. The Group's product sales adopted a price mechanism by which the currency fluctuation is basically transferred to the customers, but the Group's foreign currency trade receivables may still be exposed to risk in the credit period.

Material Acquisition and Disposal

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

Significant Investments

As at 31 December 2025, the Group had no significant investment with a value of 5% or more of the Group's total assets.

EMPLOYEES

As at 31 December 2025, the Group had 17,089 employees. Employee benefit expenses (including directors' remuneration), which comprised wages and salaries, performance-related bonuses, equity-settled share option expenses and retirement benefit scheme contributions, totaled RMB1,598.2 million for the Period (2024: RMB1,481.3 million).

The Group has a share option scheme for selected participants as an 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 pursue continuing education and training to strengthen their work skills and to support 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 performance of the Group as well as on individual performance and contribution.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Period (2024: HK7.0 cents per share).

EVENTS AFTER THE REPORTING PERIOD

Currently, the Company is undertaking the proposed spin-off and separate listing of Leoch Energy Inc, an exempted company incorporated in the Cayman Islands and a direct wholly-owned subsidiary of the Company, and the spin-off entity in the proposed spin-off ("SpinCo") on the National Association of Securities Dealers Automated Quotations (NASDAQ). On 7 January 2026, the extraordinary general meeting held by the Company was convened and two ordinary resolutions were passed to approve, among others, the proposed Spin-off and the proposed distribution and the product procurement framework agreement and the transactions contemplated thereunder. On 13 January 2026, the Company published an updated announcement regarding the proposed spin-off and the distribution of its shares. It set the entitlement basis of one Leoch Energy share for every 50 shares of the Company held, and formulated different rules for qualifying and non-qualifying shareholders of the Company regarding the distribution of shares and the transfer of net proceeds from the sale of fractional entitlements respectively, and announced key timelines including the latest cum-entitlement trading day, record date and share distribution date. On 14 January 2026, the Company announced the DTC account information form, which specified the key dates for cum-entitlement trading, share transfer and entitlement verification of the Company's shares, and set out detailed requirements for information filling and identity declaration as well as the corresponding share distribution or cash proceeds rules for qualifying and non-qualifying shareholders of the Company in two separate sections. In addition, it stipulated the deadline, execution requirements and submission methods for the form, reminded shareholders to be solely responsible for the accuracy of the information provided, and also included a personal information collection statement and the inquiry channels and contact details for relevant questions. Subsequently, the Company published further announcements regarding updates in relation to the proposed Spin-off and the proposed distribution on 2 February 2026, 27 February 2026, 10 March 2026, 30 March 2026 and updated the timetable for the proposed distribution and new regulations issued by the relevant U.S. authorities.

For further details regarding the proposed spin-off ad separate listing of the SpinCo of the Company in the U.S., please refer to the abovementioned announcements of the Company.

Subsequent to 31 December 2025 and up to the date of this announcement of annual results, save as disclosed above, the Board is not aware of any significant events affecting the Group that have occurred.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 12 May 2026 to Friday, 15 May 2026, (both days inclusive) for the purpose of determining Shareholders' entitlement to attend and vote at the annual general meeting of the Company (the "**AGM**"), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on Monday, 11 May 2026. The record date for determining Shareholders' entitlement to attend and vote at the AGM will be Friday, 15 May 2026.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as the code for dealing in securities of the Company by its directors. After making specific enquiries, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

CORPORATE GOVERNANCE PRACTICES

Throughout the Period, the Company was committed to maintaining a high standard of corporate governance with a view to safeguard the interests of its Shareholders and enhance corporate value. The Board is of the view that the Company has complied with all applicable code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules during the Period save and except for the deviation from code provision F.2.2 (which stipulates that the chairman of the Board should attend the annual general meeting). At the annual general meeting of the Company held on 16 May 2025 (the "**2024 AGM**"), Dr. DONG Li, the chairman of the Board, was unable to attend due to his other business engagements. The management together with the chairmen and/or members of the Board's committees attended the 2024 AGM to answer relevant questions raised by and understand the views of the Shareholders of the Company instead.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in this announcement of the results of the Group for the year ended 31 December 2025 have been agreed to the amounts set out in the Group's draft consolidated financial statements for the year by the Group's auditor, Ernst & Young ("**EY**"). The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standard on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by EY on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee, which comprises 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 financial statements of the Group for the year ended 31 December 2025 and has discussed with the management and the external auditor of the Company on the accounting policies and practices adopted by the Group and the internal controls and financial reporting matters of the Group.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares) during the Period. As at 31 December 2025, there were no treasury shares (as defined under the Listing Rules) held by the Company.

ANNUAL GENERAL MEETING

The AGM is expected to be held on or about Friday, 15 May 2026. Notice of the AGM will be sent to the Shareholders in due course. The poll results of the AGM will be published shortly after the AGM.

All Shareholders are encouraged to attend the AGM and exercise their right to vote. Further, Shareholders are invited to ask questions related to the business of the meeting.

APPRECIATION

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

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

Hong Kong, 31 March 2026

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