CHINA LEON INSPECTION HOLDING LIMITED
中国力鸿检验控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1586)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- The Group's revenue for the Period increased from approximately HK$602.8 million for the corresponding period in 2025 to approximately HK$681.6 million for the six months ended 30 June 2026, representing an increase of 13%.
- The Group's profit attributable to owners of the Company for the Period increased from approximately HK$40.7 million for the corresponding period in 2025 to approximately HK$45.3 million for the six months ended 30 June 2026, representing an increase of 11%.

In this announcement, "**we**", "**us**" and "**our**" refer to the Company (as defined below) and where the context otherwise requires, the Group (as defined below).

The board (the "**Board**") of directors (the "**Directors**") of China Leon Inspection Holding Limited (the "**Company**" or "**China Leon**" and, together with its subsidiaries, collectively the "**Group**") is pleased to announce the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2026 (the "**Period**"), together with the comparative figures for the corresponding period in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended	
		30 June	30 June
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*3*	**681,598**	602,763
Cost of sales		**(390,771)**	(346,913)
Gross profit		**290,827**	255,850
Other income and other gains and losses	*4*	**35**	3,233
Selling and distribution expenses		**(37,562)**	(33,455)
Administrative expenses		**(160,590)**	(133,333)
Fair value changes of financial assets and liabilities at fair value through profit or loss		**0**	(140)
Other expenses		**(20,441)**	(20,906)
Finance costs		**(2,359)**	(3,312)
PROFIT BEFORE TAX	*5*	**69,910**	67,937
Income tax expense	*6*	**(12,628)**	(12,620)
PROFIT FOR THE PERIOD		**57,282**	55,317
Attributable to:			
Owners of the Company		**45,277**	40,743
Non-controlling interests		**12,005**	14,574
		57,282	55,317

	Notes	Six months ended 30 June 2026 (Unaudited) *HK$'000*	30 June 2025 (Unaudited) *HK$'000*
Other comprehensive income (loss):			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		**0**	5,728
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**7,862**	19,600
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD, NET OF INCOME TAX		**7,862**	25,328
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**65,144**	80,645
Attributable to:			
Owners of the Company		**53,053**	56,849
Non-controlling interests		**12,091**	23,796
		65,144	80,645
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic (HK$ cents)	*8*	**7.71**	7.18
Diluted (HK$ cents)	*8*	**7.39**	6.88

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	**At 30 June 2026 (Unaudited)** ***HK$'000***	At 31 December 2025 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment		**271,312**	270,375
Investment properties		**12,847**	13,060
Right-of-use assets		**58,711**	65,256
Goodwill		**33,197**	33,029
Intangible assets		**1,873**	1,961
Financial assets at fair value through profit or loss		**4,703**	4,777
Deferred tax assets		**3,048**	3,031
Prepayments, other receivables and other assets		**3,843**	4,167
Total non-current assets		**389,534**	395,656
Current assets			
Inventories		**8,762**	678
Trade and bills receivables	*9*	**320,094**	297,245
Prepayments, other receivables and other assets		**67,663**	78,987
Pledged deposits		**0**	19,251
Time deposits with an initial term of over three months		**0**	42,572
Cash and cash equivalents		**212,775**	187,474
Total current assets		**609,294**	626,207

	Note	At **30 June** **2026** **(Unaudited)** ***HK$'000***	At 31 December 2025 (Audited) *HK$'000*
Current liabilities			
Trade payables	*10*	**70,875**	66,406
Contract liabilities		**14,874**	8,611
Other payables and accruals		**59,438**	87,226
Convertible bonds		**0**	19,767
Interest-bearing bank loans		**31,435**	99,742
Deferred liabilities		**0**	0
Tax payable		**3,141**	26,385
Lease liabilities		**11,482**	20,653
Total current liabilities		**191,245**	328,790
Net current assets		**418,049**	297,417
Total assets less current liabilities		**807,583**	693,073
Non-current liabilities			
Lease liabilities		**39,456**	30,942
Deferred tax liabilities		**2,899**	2,785
Other payables and accruals		**–**	17
Interest-bearing bank loans		**101,067**	39,857
Deferred income		**0**	136
Total non-current liabilities		**143,422**	73,737
Net assets		**664,161**	619,336
Equity			
Equity attributable to owners of the Company			
Share capital		**228**	228
Reserves		**495,533**	447,744
		495,761	447,972
Non-controlling interests		**168,400**	171,364
Total equity		**664,161**	619,336

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

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

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

2. CHANGES IN ACCOUNTING POLICIES

New standards, interpretations and amendments adopted by the Group

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

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

Issued but not yet effective IFRS Accounting Standards

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

IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]
IFRS 20 *Regulatory Assets and Regulatory Liabilities*	*Regulatory Assets and Regulatory Liabilities*[3]
IAS 28 *Investments in Associates and Joint Ventures*	*Amendments to the Fair Value Option for Investments in Associates and Joint Ventures*[4]

1 Effective for annual/reporting periods beginning on or after 1 January 2027
2 No mandatory effective date yet determined but available for adoption
3 Effective for annual/reporting periods beginning on or after 1 January 2029
4 Effective when an entity applies to IFRS 18

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. The standard was amended in August 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. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified 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.

- IFRS 20 "Regulatory Assets and Regulatory Liabilities" permits early adoption by entities and replaces the original IFRS 14 "Regulatory Deferred Accounts". All regulatory assets and liabilities existing as at the end of the reporting period must be recognized. In cases of uncertainty, recognition is required if it is "more likely to exist". These amendments are not expected to have any material impact on the Group's financial statements.

- IAS 28, which is "IAS 28 — Investments in Associates and Joint Ventures", primarily sets forth how an investor should account for investments in associates and joint ventures using the equity method. These amendments are not expected to have any material impact on the Group's financial statements.

3. REVENUE

Disaggregation of revenue from contracts with customers

	Six months ended	
Segments	**30 June 2026 (Unaudited)** *HK$'000*	30 June 2025 (Unaudited) *HK$'000*
Type of services		
Testing services	**374,721**	307,083
Surveying services	**203,609**	166,933
Witnessing and ancillary services	**103,268**	128,747
Total	**681,598**	602,763
Geographical markets		
Greater China	**284,171**	307,746
Overseas	**397,427**	295,017
Total	**681,598**	602,763
Timing of revenue recognition		
A point in time	**681,598**	602,763
Total	**681,598**	602,763

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended	
	30 June	30 June
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Other income		
Interest income	**1,153**	2,435
Value-added and other tax refund	**215**	135
Government subsidies	**165**	1,794
Rental income	**928**	676
	2,461	5,040
Other gains and losses		
Loss on convertible bond redemption	**–**	0
Loss on foreign exchange difference	**(2,426)**	(1,832)
Gain (loss) on disposal of items of property, plant and equipment	**0**	25
Others	**–**	0
	(2,426)	(1,807)
	35	3,233

5. PROFIT BEFORE TAX

	Six months ended	
	30 June	30 June
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
The Group's profit before tax has been arrived after charging:		
Depreciation of property, plant and equipment	**23,336**	21,339
Depreciation of investment properties	**637**	691
Depreciation of right-of-use assets	**12,221**	12,477
Amortisation of intangible assets	**345**	455
Research and development costs (included in other expenses):		
— Current period expenditure	**14,401**	20,757

6. INCOME TAX EXPENSE

	Six months ended 30 June 2026 (Unaudited) *HK$'000*	30 June 2025 (Unaudited) *HK$'000*
Current income tax		
— Mainland China	**6,938**	3,411
— Other jurisdictions	**5,690**	9,209
	12,628	12,620

7. DIVIDENDS

The Board of Directors has resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June 2026 (Unaudited) *HK$'000*	30 June 2025 (Unaudited) *HK$'000*
Earnings		
Profit for the period attributable to owners of the Company, used in the basic and diluted earnings per share calculation	**45,277**	40,743
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation *(Notes)*	**586,633**	567,065
Effect of dilutive potential ordinary shares:		
— Share options	**9,335**	4,771
— Convertible bonds	**16,666**	20,000
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	**612,634**	591,836

Notes:

(a) The weighted average number of ordinary shares shown above for the six months ended 30 June 2026 and 2025 have been arrived at after adjusting the shares held by the Company's share award scheme under the trust.

(b) In addition, the number of shares adopted in the calculation of the basic and diluted earnings per share for the six months ended 30 June 2026 has been retrospectively adjusted to reflect the bonus shares which became effective in July 2025.

(c) The weighted average number of shares was after taking into account the effect of shares held for Share Award Scheme and cancellation.

The computation of diluted earnings per share for the six months ended 30 June 2026 and 2025 does not assume the exercise of certain of the Company's share options because the exercise price of those options were higher than the average market price for shares for the six months ended 30 June 2026 and 2025.

Therefore, the diluted earnings per share amounts are based on the profit for the period of HK$45,277,000, and the weighted average number of ordinary shares of 612,634,283 in issue during the period.

9. TRADE RECEIVABLES

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Trade and bills receivables	**346,729**	314,325
Impairment	**(26,635)**	(17,080)
Total	**320,094**	297,245

The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the invoice dates:

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Within 3 months	**246,948**	235,171
Over 3 to 6 months	**44,635**	36,882
Over 6 months to 1 year	**20,872**	17,195
Over 1 to 2 years	**7,492**	6,922
Over 2 years	**147**	1,075
Total	**320,094**	297,245

10. TRADE PAYABLES

The following is an ageing analysis of the trade payables presented based on invoice dates:

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Within 3 months	**56,687**	53,714
Over 3 to 6 months	**9,213**	10,099
Over 6 months to 1 year	**2,961**	1,250
Over 1 to 2 years	**2,014**	1,343
Total	**70,875**	66,406

11. EVENT(S) AFTER THE REPORTING PERIOD

Save as disclosed above, the Group has no other significant events after the reporting Period up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

In the first half of 2026, the global landscape was complex and difficult, and the business environment for enterprises was diverse and ever-changing. As trade protectionism continued to spread and various trade barriers and market access regulations were successively implemented, coupled with the ongoing geopolitical conflicts in many regions and the Federal Reserve's fluctuating monetary policy, the foreign exchange market experienced severe volatility, with multiple external risks intertwining and amplifying one another. The global economy exhibited a pattern of divergent recovery. Commodity prices volatility had noticeably intensified due to the factors such as adjustments in the energy supply landscape and rising geopolitical risk aversion, further heightening the uncertainty regarding industry operations and market prospects.

Faced with a complex and ever-changing macroeconomic environment and pressure from short-term performance fluctuations, the Group has consistently adhered to long-term vision, maintained strategic resolve, and steadfastly advanced its core development strategy of deeply integrating the expansion of its global service network with technological innovation. To proactively adapt to industry transformation trends and withstand cyclical market pressures, the Group has implemented forward-looking strategic initiatives across multiple dimensions, including talent development, technological upgrades, ESG initiatives and brand empowerment, to continuously strengthen its operational foundation, enhance its core competitiveness and capacity for sustainable development, and further consolidate its position as the industry leader. During the Period, the Company generated revenue of HK$681.6 million, representing a year-over-year increase of 13%. The Group's profit attributable to owners of the Company for the Period was approximately HK$45.3 million, representing a year-over-year increase of 11%.

(1) **In terms of international operations and organizational development:** the Group continues to optimize its global governance system. Leveraging the expertise of leading international consulting firms, it is establishing a global shared service center to centrally handle routine, repetitive and process-oriented tasks. This effectively breaks down silos between functional departments, comprehensively achieves cost reduction and efficiency improvement, and ensures precise compliance management, providing solid support for the implementation of the Group's globalization strategy, while continuously optimizing strategic synergy, resource allocation and talent development system. The Group is deepening its organizational capacity-building efforts across four core dimensions, "talent, efficiency, mechanisms and culture", to drive the transformation of its human resources system from a traditional cost center into an engine of value innovation. Through three-phase implementation measures, including organizational structure optimization, recruitment and development of high-level talent and reforms to incentive mechanisms, the Group is comprehensively empowering its global strategic deployment.

(2) **In respect of technological innovation and digital and intelligent upgrade:** the Group continues to increase its investment in R&D resources, focusing on the deep integration of artificial intelligence with the real economy to drive the comprehensive application of AI technology across all business and functional segments. Currently, the Group is systematically developing a vertical large-scale model for the commodity TIC industry. It is refining customized intelligent solutions platform tailored to commodity testing and inspection scenarios to drive the end-to- end digital and intelligent transformation of testing processes, data analysis, report generation and customer service. Through technological innovation, the Group aims to reshape industry service standards and establish differentiated technological competitive barriers.

(3) **Regarding ESG strategy and green business development:** as new carbon market regulations are progressively implemented worldwide and the implementation rules continue to be refined, the demand for TIC services, including green compliance for commodities, carbon verification and sustainability certification, continues to grow, presenting structural growth opportunities for the industry's overall market. The Group is capitalizing on the development momentum of the dual-circulation carbon markets both domestically and internationally. Leveraging its specialized in-house team with deep expertise in global carbon market regulations, combined with its long-established government and corporate resources, authoritative brand reputation and profound industry influence, the Group is actively exploring new growth opportunities in green business, continuously expanding the scope of its services and steadily consolidating its core competitive edge in the fields of climate change and low-carbon compliance.

(4) **In terms of brand upgrading and industry empowerment:** the Group successfully hosted the "AI New Engine, TIC New Future — 2026 Forum on AI Innovation and Development in Commodity Inspection and Testing" in Tangshan, China, in June 2026. The forum brought together leading industry experts, scholars from top universities, and key partners across the industrial chain to jointly explore pathways for the intelligent transformation and development of the commodity inspection and testing industry. At this forum, the Group officially unveiled its AI development strategy and simultaneously established an AI Smart Inspection Technology Experience Zone to showcase its independently developed standardized, digitized and intelligent technological achievements. This marks the Group's completion of its strategic positioning in the commodity TIC AI vertical sector, signaling that its AI smart inspection technology has officially entered the phase of comprehensive implementation and application. The forum received sustained attention and extensive coverage from numerous domestic mainstream media outlets and over 100 financial and international media outlets, significantly enhancing the Group's brand influence and industry voice.

(5) **In respect of international market expansion:** the Group will accelerate its expansion into emerging markets such as the Middle East, Africa and Southeast Asia, focusing on high-growth sectors in new energy, strengthening professional technical barriers and fostering differentiated competitive advantages. With fair, efficient, and professional inspection services, the Group will help the new energy industry achieve high-quality and sustainable development, and to contribute to the industry's ongoing efforts to enhance its international competitiveness.

Business review of each segment

The Group provides one-stop technical services for trade assurance covering testing, inspection, as well as technical and consulting services around the clock, empowering global industry leaders to achieve ecofriendly and low-carbon transition. The Group has identified commodity futures, ESG and dual carbon initiatives, and AI applications and development strategies as its three core operational pillars to achieve long-term sustainable development. In the first half of 2026, synergies among the business segments were fully leveraged, driving overall revenue growth for the Group. Details are as follows:

Commodity Futures Business

As at the first half of 2026, the Group's accreditation has been expanded to cover 18 core futures contracts, further solidifying its extensive experience and brand credibility in commodity inspection. Supported by its robust comprehensive strength, exceptional technical capabilities and outstanding talent pool, the Group has successfully achieved full coverage of accreditation across the five major futures exchanges and is one of the very few professional organizations in the country to hold designated inspection agency status at the Shanghai Futures Exchange, the Dalian Commodity Exchange, the Zhengzhou Commodity Exchange, the Guangzhou Futures Exchange and the Shanghai International Energy Exchange. The Group's inspection and testing product portfolio continues to expand, and it has now become a leading quality inspection agency for lithium carbonate, ferroalloys and industrial silicon.

The following is a list of the futures designated quality inspection institution qualifications obtained by the Group and its subsidiaries from major exchanges as of now:

Exchange	Commodities
Shanghai Futures Exchange	Copper, aluminum, zinc, lead, nickel, tin, alumina, cast aluminum alloy
Dalian Commodity Exchange	Coking coal, coke, iron ore
Zhengzhou Commodity Exchange	Thermal coal, manganese-silicon alloy, ferrosilicon
Guangzhou Futures Exchange	Polysilicon (sample), lithium carbonate, industrial silicon
Shanghai International Energy Exchange	Bonded copper

ESG and Dual Carbon Business

The Group provides diversified, specialized and comprehensive solutions in the field of low-carbon sustainability. Its business is primarily divided into four major segments: carbon asset development and trading, low-carbon technology consulting, ESG technology consulting, and low-carbon digital solutions. Core strategic clients include state-owned enterprises of China, large-scale listed companies and Fortune 500 companies which serve as the backbone of China's efforts to build a clean, low-carbon, safe, and efficient energy system. The Group actively assists clients in enhancing the efficiency of implementing the dual carbon goals, scaling up and promoting energy conservation, emissions reduction and carbon reduction initiatives, and formulating appropriate sustainable development strategies based on the practical situations of corporate operations. The Group provides one-stop, comprehensive carbon neutrality solutions and has already helped numerous industry leaders fulfill their corporate carbon neutrality commitments.

As at the first half of 2026, the Group continued to strengthen its low-carbon service capabilities, resulting in a significant increase in the scale of its international voluntary carbon credit issuance and retirement services. Against the backdrop of China's efforts to strengthen the development of carbon footprint management system, the Group successfully delivered technical consulting services for product carbon footprint certification. The Group fully leveraged its role as an industry leader and actively participated in the development of China's greenhouse gas verification standards system. Among which, the Group served as the sole enterprise from the TIC industry to contribute to the drafting of the national standard "Part 48 of the

Requirements for Greenhouse Gas Emission Verification and Reporting: Urban Gas Supply Enterprises" (《溫室氣體排放核算與報告要求第48部分：城鎮燃氣供應企業》) (GB/T32151.48-2026). Such standard had been officially approved and issued by the State Administration for Market Regulation and the Standardization Administration of China. Meanwhile, the national standard "Part 11 of the Requirements for Greenhouse Gas Emission Verification and Reporting: Coal Production Enterprises" (《溫室氣體排放核算與報告要求第11部分：煤炭生產企業》) (GB/T32151.11-2026), in which the Group was deeply involved throughout the entire process of drafting, technical validation and data verification, has also been set to be officially implemented.

The Group continues to focus on cutting-edge areas of the international carbon market. As at the first half of 2026, it prioritized research on the A6.4 mechanism under the United Nations "Paris Agreement"; its subsidiary, Leon Low-carbon Environmental Protection Science and Technology (Beijing) Co., Ltd., serving as a co-lead, collaborated with multiple institutions to complete the research and development and submission of the A6.4 methodology for emissions reductions through low-carbon navigation routes for passenger vehicles. This methodology is the world's ninth A6.4 mechanism methodology to enter the public comment phase, and it is also the world's first A6.4 mechanism methodology led by a Chinese institution to advance to the international public comment stage, effectively filling a gap in international regulations regarding digital emission reductions in the transportation sector. Building on this achievement, the Group will assist clients in complying with international emissions reduction projects, acquiring high-quality cross-border carbon credit assets, empowering enterprises to fulfill their social responsibilities, and establishing a benchmark for low-carbon sustainable development in the transportation sector.

As a leading carbon asset trader in the Beijing carbon market, as at the first half of 2026, the Group continued to expand the scale of its collaborative carbon asset transactions, helping more clients meet their annual carbon emission compliance obligations at low cost. As such, the Group was awarded the 2025 Best Trading Award by the Beijing Green Exchange. Winning this honor for two consecutive years fully demonstrates the high recognition by authoritative industry institutions of the Group's extensive experience in the carbon market and its brand credibility.

As new regulations for the global carbon market are gradually implemented and the implementation rules continue to be clarified, the overall market size of the industry is expected to experience significant growth. The Group is seizing development opportunities in both domestic and international carbon markets. Leveraging its specialized in-house team dedicated to in-depth research on global carbon market regulations, combined with its long-established government and corporate resources, brand reputation and industry influence, the Group is actively exploring new market opportunities, expanding its business scope and continuously strengthening its core competitive advantages in the climate change sector.

AI Applications and Development

The Group has established AI empowerment as its core technology strategy, fully seizing the historic opportunities presented by the AI revolution. The Group has been focusing on achieving technological breakthroughs through the dual engines of "AI + Robotics", accelerating the AI transition of all business scenarios. The Group will continue to invest in technological research and development, promoting the deep integration of AI in inspection and safety management to create smarter and more reliable service value for clients.

Through its self-developed "Leon AI System", the Group applies the deep integration of AI large models with core energy inspection businesses to satisfy the personalized needs of modern enterprise safety production. The Group has actively promoted the research and development and establishment of an AI safety production platform. Such platform is integrated with the Internet of Things, big data analytics and multi-modal AI technologies. This platform, with AI technology as its core support, aims to optimize enterprise safety management efficiency by deeply analyzing enterprise-specific safety risk characteristics, achieving seamless integration with production and operational systems.

Based on the technologies under relevant patents, the Group has achieved commercial application, establishing a closed-loop system where business development is driven by technology and intelligence, thereby further enhancing customer loyalty and market competitiveness. The Group will continue to leverage AI technological innovation to upgrade its service capabilities, continuously consolidate customer loyalty and market competitiveness, and further advance the global deployment of AI systems. It will deepen breakthroughs in areas such as intelligent mutual recognition of cross-border inspections, AI-based carbon emissions accounting, and commodity quality prediction. Through sustained investment in technology, the Group will drive the restructuring of industrial value and lead the inspection and testing industry toward a new phase of intelligent collaboration and data-driven operations.

Prospect

Looking ahead, as the global economic and trade landscape continues to undergo restructuring, which presents both challenges and opportunities, the long-term development prospect for the commodity inspection and testing industry remain promising. With the ongoing refinement of the global green trade system, the continuous upgrading of product compliance and traceability regulations across various countries, and the rapid development of the new energy and new materials industries, together with the AI-driven digital and intelligent industry transformation, the market's strong demand for high-standard, specialized and one-stop TIC compliance services will continue to grow, providing stable growth momentum for the industry. At the same time, factors such as trade fragmentation, diverging regional standards, intensifying market competition and fluctuating operating costs will continue to pose challenges to the industry's development. As an industry leader in the commodity TIC sector in the Asia-Pacific region, the Group will closely follow global industry and regulatory trends. Leveraging its global service network, accumulated technical expertise and industry resources, the Group will further seize opportunities in the booming TIC market, consolidate its core competitive advantages and achieve high-quality, sustainable development.

Financial Review

Overview

	For the six months ended		
	30 June 2026	30 June 2025	Change
	(Unaudited)	(Unaudited)	
	HK$'000	*HK$'000*	
Revenue	**681,598**	602,763	(13%)
Profit attributable to owners of the Company	**45,277**	40,743	(11%)

Revenue

The Group's revenue for the Period increased by HK$78.8 million from approximately HK$602.8 million for the corresponding period in 2025 to approximately HK$681.6 million for the six months ended 30 June 2026. Despite the current volatile international environment where the global macroeconomy and commodity markets are facing high level of uncertainties and sharp fluctuations, trade protectionist policies have triggered a new round of tariff barriers, combined with multiple risk factors such as the ongoing escalation of geopolitical conflicts in various parts of the world and fluctuations in the U.S. dollar exchange rate, the Group has continued to achieve growth in its coal and commodities businesses.

Profit attributable to owners of the Company for the Period

The profit attributable to owners of the Company for the Period increased by HK$4.5 million from approximately HK$40.7 million for the corresponding period in 2025 to approximately HK$45.3 million for the six months ended 30 June 2026. In the first half of the year, despite the external environment being fraught with challenges, the Company achieved profit growth through cost control and process optimization, and driven by continued strong performance in the coal and commodities businesses.

Treasury Management and Funding Policy

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximize our shareholders' value. We manage and adjust our capital structure considering changes in economic conditions and the risks of the underlying assets. To maintain or adjust our capital structure, we may adjust dividend payments to Shareholders, return capital to shareholders or raise funds through issuing new equity.

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Period under review. To manage the Group's liquidity risk, the management monitors the Group's liquidity position and maintains sufficient cash and cash equivalents within the Group, as well as ensuring the availability of funding through an adequate amount of committed credit facilities and the ability to settle the payables of the Group.

Contingent Liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities or guarantees to third parties.

Gearing Ratio

The Group monitors capital on the basis of the gearing ratio. The calculation of gearing ratio is based on total net debt divided by capital plus net debt and multiplied by 100%. Net debt is calculated as trade payables, other payables and accruals, interest-bearing bank loans, convertible bonds, less cash and cash equivalents as shown in the condensed consolidated statement of financial position. Total capital is calculated as "equity attributable to owners of the Company" as shown in the condensed consolidated statement of financial position.

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Trade payables	**70,875**	66,406
Other payables and accruals	**59,438**	87,243
Interest-bearing bank loans	**171,069**	139,599
Convertible bonds	**0**	19,767
Less: Cash and cash equivalents	**(212,775)**	(187,474)
Net debt (surplus)	**88,606**	125,541
Equity attributable to owners of the Company	**457,194**	447,972
Capital and net debt	**545,800**	573,513
Gearing ratio *(Note)*	**16%**	22%

Credit Risk

Credit risk is the risk of loss arising from a customer's or counterparty's inability to meet its obligations. The Group enters into transactions only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to have credit transactions with the Group are subject to credit verification procedures taking into account the customers' financial position and the Group's past experience with the customers.

In addition, the Group monitors receivable balances on an ongoing basis, and its exposure to bad debts is not significant. The management of the Group evaluates the creditworthiness of its existing and prospective customers and ensures that the customers have adequate financing for the projects as well as the source of the financing. No collateral is required.

The Group's other financial assets include other receivables and cash and cash equivalents. The credit risk of these financial assets arises from default of the counterparty. The maximum exposure to credit risk equals the carrying amounts of these assets.

Material Acquisition and Disposal

During the six months ended 30 June 2026, the Group had no material acquisitions or disposals of subsidiaries, associate and joint ventures.

EMPLOYEES

As at 30 June 2026, the Group had 3,349 employees (six months ended 30 June 2025: 3,574) in total. The Group's employee compensation includes base salaries, bonuses and cash subsidies. Other agreed employee benefits include pension scheme, medical insurance, on-job training, education subsidy and other social security and paid leaves stipulated under the relevant jurisdiction of places of operation. Furthermore, the Company has adopted the share option scheme as well as the share award scheme as the incentives to Directors and eligible employees.

As regards to the emolument policy of the employees of the Group, in general, the Group determines employee compensation based on each employee's performance, qualifications, position and seniority. The emoluments of the Directors are recommended and decided by the remuneration committee and the Board respectively, having regard to the Company's operating results, individual performance and comparable market statistics. The Company maintained good relationship with its employees.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 2025: Nil).

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of its shareholders as a whole. The Company has adopted the code provisions on the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 (under Part 2 — Principles of Good Corporate Governance, Code Provisions and Recommended Best Practices) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**").

During the Period, in the opinion of the Directors, the Company had complied with the code provisions as set out in the CG Code except the deviation from code provision C.2.1 of the CG Code.

Currently, Mr. LI Xiangli ("**Mr. Li**") takes up the roles of both chairman of the Board and chief executive officer ("**CEO**") of the Company, which is deviated from code provision C.2.1 of the CG Code that requires the roles of chairman and chief executive officer of the Company should be separate and should not be performed by the same individual. The Board considers that Mr. Li possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. In the opinion of the Directors, through supervision by the Board and the independent non-executive Directors, together with effective control of the Company's internal checking and balance mechanism, the same individual performing the roles of chairman and chief executive can achieve the goal of improving the Company's efficiency in decision-making and execution and effectively capturing business opportunities. The Board will review the effectiveness of this arrangement from time to time.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's employees who, because of such offices or employments, are likely to possess inside information of the Company and/or its securities.

Having made specific enquiry by the Company with all Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code regarding directors' securities transactions throughout the Period.

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

During the Period, neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF FINANCIAL INFORMATION

The Company established an audit committee (the "**Audit Committee**") in compliance with Rules 3.21 and 3.22 of the Listing Rules. Currently, the Audit Committee comprises three members, namely Ms. Li Hongwei (Chairman), Mr. Frédéric Herren and Dr. Xue Jun, all being the independent non-executive Directors.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements of the Group for the Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.hk1586.com, respectively. The interim report of the Company for the Period containing all the information required by the Listing Rules will be published on the abovementioned websites and printed copies will be sent to the shareholders who have elected to receive printed copies in due course.

On behalf of the Board
China Leon Inspection Holding Limited
Li Xiangli
Chairman and CEO

Hong Kong, 21 August 2026

As at the date of this announcement, the Board of the Company comprises seven Directors:

Executive Directors:
Mr. LI Xiangli *(Chairman and CEO)*
Ms. ZHANG Aiying *(Vice President)*
Mr. LIU Yi *(Vice President)*
Mr. YANG Rongbing *(Vice Chairman)*

Independent Non-executive Directors:
Mr. Frédéric HERREN
Ms. LI Hongwei
Dr. XUE Jun