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LEAPMOTOR

ZHEJIANG LEAPMOTOR TECHNOLOGY CO., LTD.

浙江零跑科技股份有限公司

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

(Stock Code: 9863)

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

The board (the “**Board**”) of directors (the “**Directors**”) of Zhejiang Leapmotor Technology Co., Ltd. (the “**Company**” or “**We**” or the “**Leapmotor**”, and its subsidiaries, the “**Group**”) is pleased to announce the unaudited interim consolidated results of the Group for the six months ended 30 June 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2024. These interim results were prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”, and reviewed by the audit committee (the “**Audit Committee**”) of the Board and the independent auditor of the Group.

HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

Business Highlights

- The Company's semi-annual net profit was RMB30 million in the first half of 2025, achieving a positive semi-annual net profit for the first time and becoming the second enterprise to achieve semi-annual profit among emerging auto brands in China;
- Gross margin in the first half of 2025 of the Company was 14.1%, hitting an all-time high in semi-annual gross profit margin since its establishment;
- Total delivery of vehicles of the Company was 221,664 units in the first half of 2025, ranking first among emerging auto brands in China in terms of sales. In July 2025, the Company's delivery once again reached a new high of 50,129 units, ranking first among emerging auto brands in China in terms of sales for five consecutive months. It also became the only emerging auto brands company in China with a monthly delivery exceeding 50,000 units since 2025.

Finance

- Revenue was RMB24.25 billion for the six months ended 30 June 2025, representing an increase of 174.0% from RMB8.85 billion for the same period of 2024. The year-on-year increase was mainly attributable to the increase in the delivery of vehicles and spare parts, the increased income generated from strategic cooperation and carbon credit trading, and the higher income from relevant services driven by the increase in the delivery of vehicles;
- Gross margin was 14.1% for the six months ended 30 June 2025, representing an increase of 13 percentage points from 1.1% in the same period of 2024. The year-on-year increase was mainly attributable to: (i) economies of scale driven by the increase in sales volume; (ii) ongoing cost management efforts; (iii) the optimisation of product mix; and (iv) income generated from other businesses;
- Net profit attributable to the equity holders of the Company was RMB30 million for the six months ended 30 June 2025, compared with RMB(2.21) billion for the same period of 2024. Excluding the share-based payment as part of employee benefit expenses, the adjusted net profit (non-IFRS) was RMB330million for the six months ended 30 June 2025, compared with RMB(2.02) billion for the same period of 2024;
- Net cash generated from operating activities was RMB2.86 billion for the six months ended 30 June 2025, compared with net cash generated from operating activities of RMB270 million for the same period of 2024;
- Free cash flow was RMB860 million for the six months ended 30 June 2025, compared with free cash flow of RMB(480) million for the same period of 2024;
- The Company has ample cash on hand. As of 30 June 2025, the balance of cash and cash equivalents, restricted cash, financial assets at fair value through profit or loss, and time deposits with banks was RMB29.58 billion.

Sales volume

- Total deliveries of vehicles of the Company were 221,664 units for the first half of 2025, ranking first among emerging auto brands in China in terms of sales, representing an increase of 155.7% as compared to the deliveries for the same period of 2024;
- In July 2025, the Company's delivery once again broke new records, reaching 50,129 units, ranking first among emerging auto brands in China in terms of sales for five consecutive months. It also became the only emerging auto brands company in China with a monthly delivery exceeding 50,000 units since 2025.
- As of 18 June 2025, Leapmotor achieved a milestone of over 800,000 cumulative deliveries;
- Within 13 months of its launch, C10 surpassed 100,000 global deliveries, with a peak monthly delivery exceeding 14,000 units; as of 12 August 2025, C10 has maintained its position as the top-selling midsize SUV among emerging auto brands for three consecutive months;
- In June 2025, C11 surpassed the milestone of 250,000 cumulative sales;
- As of 13 August 2025, C16 has maintained the top spot in the sales rankings for mid-to-large SUVs priced under RMB200,000 for eight consecutive weeks;
- B10 achieved over 10,000 deliveries in its second month after launch, making it Leapmotor's fastest-selling model to surpass the 10,000-unit mark, reflecting a new level of the Company's comprehensive capabilities such as sales capabilities, brand influence, and production capacity;
- B01 was launched on 24 July 2025, with orders exceeding 10,000 units within 72 hours of its launch. B01's sales are expected to reach a new level beyond B10's performance.

Products

Since 2025, the Company has launched two new models based on Platform B and redesigned three existing models based on Platform C, further enriching its product portfolio to meet the diverse needs of users. All of the above models are built on the new LEAP 3.5 architecture, providing users with the most cutting-edge technological experience.

Leapmotor B10 was launched on 10 April 2025. Leveraging its full-suit in-house R&D capabilities, the Company has achieved end-to-end assisted driving functionality in the RMB120,000-level SUV segment, equipped with a lidar system and the Qualcomm 8650 chip. Within one month of its launch, B10 won 18 prestigious awards, including China's first "Thermal Comfort Star" and "Energy-Efficient Cabin Star" for pure EVs under the latest standards, China's first "2024 International CMF Design Award • Green Design Award", the first vehicle in the category to receive Platinum Award at the U.S. "Good Design Award", and the only vehicle in the category to receive Gold Awards at the "French Design Award" and the "London Design Award".

Leapmotor B01 was launched on 24 July 2025, positioning itself as a high-quality intelligent sedan targeting the mainstream market, aimed at young individuals and young family users. B01 features class-leading functions such as a 650km ultra-long range and luxury-grade run-flat stability control, presenting itself as a versatile, fully-equipped “all-rounder” with disruptive product capabilities to enter the A-segment sedan market.

The upgraded C10 was launched on 15 May 2025, embodying the “technology equality” philosophy by bringing advanced configurations such as an 800V high-voltage platform, lidar, end-to-end ADAS, and million-class luxury chassis technology to the RMB140,000 market segment. It is the only product in its class offering 600km pure-electric range and a full-suit 800V high-voltage fast-charging platform. Additionally, the chassis hardware has been re-calibrated and upgraded, paired with a 220kW high-voltage electric drive system, to deliver enhanced driving pleasure and comfort for users. Leapmotor C10 has earned five-star safety certifications from China, Europe, and Australia, and has won multiple international design awards for its core values of elegance, comfort, intelligence, and safety.

The updated C16 was launched on 18 June 2025 and is the only product in its class to adopt the CTC2.0 and 800V technology. Positioned as a “super-comfort intelligent long-range SUV,” it offers dual versions: the “Champion 6-Seater” and the “New 5-Seater.” With over 70 upgrades and an additional value of over RMB25,000, it delivers a comprehensive travel experience for families with multiple children and those seeking high-quality lifestyles.

Leapmotor C11, which has remained a bestseller for four years since its launch, has reached the milestone of 250,000 units sold and was newly launched on 10 July 2025. The all-new C11 has nearly 50% of its core components refreshed compared to the original C11, over 110 experience upgrades, and 125 premium standard features. It redefines the value benchmark for the RMB150,000 to RMB200,000 mid-size SUV market with its premium configuration, bringing AR-HUD, lidar, and 800V ultra-fast charging to the mainstream market.

Research and Development

On 10 March 2025, the Company unveiled the LEAP 3.5 technical architecture, which integrates the Qualcomm 8650 chip with the Qualcomm 8295 intelligent cockpit chip. This innovative integration achieves a unified cockpit-driving system for combined assisted driving, while centralizing regional controllers into a single master regional controller. This results in the world’s highest level of integration for central domain control system, enabling brand-new upgrades to intelligent driving, intelligent cockpits, electric drive, battery, thermal management, and chassis technologies with central domain control as the foundation.

In the first half of 2025, R&D investment in intelligent driving continued to increase, with both the size of the intelligent driving team and computational resource allocation growing by nearly 100% as compared to the same period in 2024. In terms of intelligent driving assistance technology implementation, the city commuting navigation assistance function based on end-to-end algorithms was first mass-produced and deployed in vehicles; the Qualcomm 8650 domain controller combination driving assistance solution based on the EEA 3.5 architecture saw significantly improved R&D efficiency, with development completed in just six months and first applied to Platform B models. The Company plans to make further strategic investments in the second half of 2025, increasing R&D resources for end-to-end and VLA technologies, and aims to achieve urban NOA combined driving assistance capabilities by the end of 2025.

The Company's full-suite in-house AR-HUD has been first applied to the all-new C11, featuring the largest 60-inch AR-HUD in its class, supporting intelligent switching among speed, AR, and map modes. It will also be extended to cover the main models of Platform D and Platform C in the future. The Company's AR-HUD technology is based on two core advantages: in optical imaging technology, the Company leverages the founding team's experience in optical design and supply chain integration capabilities from the security industry to ensure high imaging quality and cost advantages; in AR algorithm integration, the full-suite in-house system efficiently integrates data from multiple systems including ADAS, intelligent cockpits, and HUD, shortening development cycles and enhancing interactive experience.

In the first half of 2025, the CLTC efficiency of the electric drive system was improved by approximately 1% through systematic optimization across multiple dimensions, including component manufacturing processes, cooling systems, motor electromagnetics, and controller circuits, maintaining its leading position in the industry in terms of comprehensive efficiency level. The next-generation compressor project has successfully entered mass production, with NVH performance optimized to the best level in the industry, achieving a root mean square (RMS) value of ≤ 10 kPa.

Leapmotor's CTC batteries have become the first to meet the new national standards for power batteries (GB 38031-2025), securing the "safety certification" under the most stringent national standards in history one year ahead of schedule. Additionally, based on the industry's most stringent safety standards, Leapmotor's CTC batteries have passed rigorous corporate standards assessment, including 1,029 safety experiments and 128 performance validations, ensuring no fires, explosions, or thermal runaway under extreme conditions. Leapmotor's various platform models have already been equipped with over 250,000 sets of CTC2.0 batteries, aiming to set an industry innovation benchmark with "ultra-safety, ultra-fast charging, ultra-intelligence, ultra-performance, and ultra-energy density".

Sales Channels

As of 30 June 2025, the Company's sales and service network has expanded to cover 286 cities, representing an increase of 88 cities as compared to the same period last year. The network now includes 806 sales outlets (including 315 Leapmotor Centers and 491 Experience Centers) and 461 service outlets. Thanks to the Company's measures including "1+N" model and the "Golden Seed" program for cultivating core dealers, the average store efficiency per outlet increased by over 50% year-on-year in the first half of the year.

In the second half of 2025, the Company will continue to deepen its channel layout in first- and second-tier cities while simultaneously advancing channel expansion into untapped cities to enhance channel coverage, quality, and operational capabilities. By the end of 2025, the Company expects to expand coverage to 60 new cities, counties and prefecture-level cities, with the urban coverage rate reaching 90%, further expanding the brand's influence. Additionally, the Company will accelerate the expansion of Leapmotor Centers and city showroom stores, further penetrating core automotive business districts.

Retail

The Company has established an integrated operational system centered on end users by deploying a full-chain digital marketing and service system. This system deeply integrates online and offline service touchpoints to achieve seamless coverage of the user experience across all scenarios. Utilizing intelligent tools such as DMP, the Company follows a full lifecycle, full-chain, and full-scenario approach centered on “potential customer identification –potential customer engagement –potential customer conversion and transaction – post-transaction user operations”. By leveraging data and standardized processes, the Company achieves 360-degree user engagement. This systematic solution not only enables data-driven decision-making across the entire process but also sets a new industry benchmark for operational efficiency. In the first half of 2025, core retail metrics saw significant improvements: potential customer conversion rates increased by 2 percentage points as compared to the end of 2024, and conversion rates for all vehicle models raised by 5 percentage points; store operational efficiency grew by 27% year-over-year, with ongoing optimization of operational efficiency.

Service

In the first half of 2025, the “Three Quicks and Two Saves” strategy delivered significant results: (1) quick service response, with 99.5% 15-minute response rate in dedicated service groups, representing an increase of 9 percentage points year-on-year; (2) quick repairs, with the one-time repair rate rising to 98.3%, representing an increase of 4.4 percentage points as compared to the previous period; (3) quick parts supply with a 48-hour delivery rate of 91.5%, representing an increase of 14.3 percentage points as compared to the previous period. In the second half of 2025, the Company will continue to uphold the core service philosophy of “Three Quicks and Two Saves” (quick response, quick repairs, quick parts supply, saving time, and saving hassle), and continuously strengthen the strategic competitive advantage of user service through systematic capacity building.

Capital and Strategic Cooperation

On 3 March 2025, FAW Group and the Company signed a “Memorandum of Understanding on Strategic Cooperation”. Both parties will leverage their respective technical expertise in R&D to jointly develop new energy passenger vehicles and collaborate on components. Currently, the first jointly developed vehicle model project has been launched, and subsequent work is being actively advanced. Both parties will further explore the feasibility of deepening capital cooperation to achieve full-chain resource synergy.

On 26 March 2025, the China Securities Regulatory Commission issued the “Approval for the Registration of the Issuance of Shares to Specific Parties by Zhejiang Leapmotor Technology Co., Ltd.” (Zheng Jian Xu Ke [2025] No. 614), approving Leapmotor’s private placement of domestic shares. On June 25, the 2024 Annual General Meeting of Shareholders considered and approved the resolution related to revising the Articles of Association of the Company to increase the registered capital, and the aforementioned matter is progressing steadily.

Globalization

In the first half of 2025, the Company exported 20,375 units, ranking first among emerging auto brands; in June, Leapmotor's market share in Germany's BEV market exceeded 1%; in July, over 4,000 European users placed orders for Leapmotor products, setting a new record.

The first batch of B10 models were officially shipped to Europe in July 2025 and will be officially launched at the Munich Auto Show in September.

In 2025, the Company continued to strengthen its product and brand influence overseas. The T03 secured first place for efficiency in the 2025 ECOBEST European Range Challenge; the Company was named the top new brand in Germany for auto dealer satisfaction in the "2025 German Dealer Satisfaction Survey" initiated by the German Automotive Industry Research Institute's brand monitoring program.

On 12 June 2025, the right-hand drive versions of C10 and T03 officially entered the Hong Kong market. With the establishment of Leapmotor's 1,500th global Leapmotor Center in Hong Kong, the Company further expanded its global sales network, with the Hong Kong market becoming an important hub connecting the European and Southeast Asian markets.

As of the end of June 2025, Leapmotor International B.V. ("**Leapmotor International**") had established over 600 sales and after-sales service centers across approximately 30 international markets in Europe, the Middle East, Africa, and the Asia-Pacific region, with over 550 in Europe and nearly 50 in the Asia-Pacific market, setting a new record for the speed of overseas expansion among new-energy vehicle brands.

On 18 April 2025, the Company and Stellantis Group announced plans to launch the Leapmotor C10 Malaysia localization assembly project at Stellantis Group's Gurun factory in Kedah State, Malaysia. On August 7, the first Leapmotor C10-OTS automobile has been successfully assembled and rolled off the production line, positioning itself well for the following mass production.

The Company plans to establish a European localization production base by the end of 2026, further advancing its global market expansion.

Environmental, Social and Governance ("ESG")

Leapmotor released its third ESG report in the first half of 2025, systematically presenting the Company's latest progress in sustainable development. Notably, in January 2025, the Company received an MSCI ESG AA rating for the second consecutive year, an authoritative recognition that fully demonstrates Leapmotor's comprehensive leading advantages in environmental protection, social responsibility, and corporate governance.

As an innovative enterprise guided by the principle of "technology for good," we are committed to deeply integrating technological innovation with the creation of social value. On 26 March 2025, the Company donated RMB5 million to the Zhejiang Provincial Disabled Persons' Welfare Foundation to support the Zhejiang Province Science and Technology Assistance Project for Persons with Physical Disabilities, aiming to effectively improve the quality of life and social participation of persons with physical disabilities, and make technological progress a vital force in promoting social equity.

Additionally, the Company actively explores market-valued carbon credit transfers, striving to achieve a win-win outcome between economic benefits and environmental benefits.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Analysis

Revenue

Total revenue was RMB24.25 billion for the six months ended 30 June 2025, representing an increase of 174.0% from RMB8.85 billion for the six months ended 30 June 2024. This change was primarily due to the increase in the delivery of vehicles and spare parts, in the income generated from strategic cooperation and carbon credit trading, and in the income from relevant services driven by the increase in the delivery of vehicles.

Sales of electric vehicles and parts were RMB23.10 billion for the six months ended 30 June 2025, representing an increase of 161.4% from RMB8.84 billion for the six months ended 30 June 2024. This change was primarily attributable to the increase in the delivery of vehicles and spare parts.

Cost of Sales

Cost of sales was RMB20.82 billion for the six months ended 30 June 2025, representing an increase of 137.9% from RMB8.75 billion for the six months ended 30 June 2024. This increase was primarily attributable to the rise in sales volume, partially offset by the ongoing cost management work.

Gross Profit and Gross Margin

Gross profit was RMB3.43 billion for the six months ended 30 June 2025, representing an increase of 3,330.0% from RMB0.1 billion for the six months ended 30 June 2024.

Gross margin improved from 1.1% for the six months ended 30 June 2024 to 14.1% for the six months ended 30 June 2025, mainly due to (i) economies of scale driven by the increase in sales volume; (ii) ongoing cost management efforts; (iii) the optimisation of product mix; and (iv) income generated from other businesses.

Selling Expenses

Selling expenses were RMB1.41 billion for the six months ended 30 June 2025, representing an increase of 56.7% from RMB0.9 billion for the six months ended 30 June 2024. This increase was primarily due to the intensified efforts in advertising and promotional activities as well as the increase in headcount of sales personnel.

Administrative Expenses

Administrative expenses were RMB790 million for the six months ended 30 June 2025, representing an increase of 79.5% from RMB440 million for the six months ended 30 June 2024. This increase was primarily due to the increase in headcount of administrative staff.

R&D Expenses

R&D expenses were RMB1.89 billion for the six months ended 30 June 2025, representing an increase of 54.9% from RMB1.22 billion for the six months ended 30 June 2024. This increase was primarily due to the increased investment in research and development, as well as the increase in R&D personnel.

Operating Profit

Operating profit was RMB(90) million for the six months ended 30 June 2025, representing an improvement of 96.3% from RMB(2.4) billion for the six months ended 30 June 2024, which was primarily due to the significant increase in gross profit driven by rapid increase in sales volume.

Net Finance Income

Net finance income was RMB110 million for the six months ended 30 June 2025, representing a decrease of 42.1% from RMB190 million for the six months ended 30 June 2024. This decrease was primarily due to the decrease in interest income.

Share of Net Profit of Associates

Share of net profit of associates was RMB10 million for the six months ended 30 June 2025, representing an improvement of 200.0% from RMB(10) million for the six months ended 30 June 2024. This increase was primarily due to the growth in the performance of the associates.

Net Profit and Adjusted Net Profit

Based on the above, net profit was RMB30 million for the six months ended 30 June 2025, compared with RMB(2.21) billion for the six months ended 30 June 2024. Excluding the share-based payment as part of employee benefit expenses, the adjusted net profit (non-IFRS) was RMB330 million for the six months ended 30 June 2025, compared with RMB(2.02) billion for the six months ended 30 June 2024. Please refer to “Management Discussion and Analysis – Non-IFRS Measure”.

Basic and Diluted Profit Per Share

Basic and diluted profit per share was RMB0.02 for the six months ended 30 June 2025, compared with RMB(1.65) for the six months ended 30 June 2024.

Liquidity and Capital Resources

As of 30 June 2025, the Group’s cash and cash equivalents, restricted cash, financial assets at fair value through profit or loss and short-term and long-term bank deposits amounted to RMB29.58 billion. We believe our capital resources (including available cash and cash equivalents, restricted cash, financial assets at fair value through profit or loss and short-term and long-term bank deposits, cash generated from operating activities and available credit facilities) are sufficient to finance our continuing operations, having considered our business development and expansion plans.

Interest Expenses on Bank and Other Borrowings

Interest expenses on bank and other borrowings were RMB50 million for the six months ended 30 June 2025, representing an increase of 66.7% from RMB30 million for the six months ended 30 June 2024.

Borrowings

As of 30 June 2025 and 31 December 2024, the Group's total borrowings were RMB2.67 billion and RMB2.37 billion, respectively. Our bank and other borrowings were denominated in RMB.

Gearing Ratio

The Company monitored capital using gearing ratio. As of 30 June 2025, the Group's gearing ratio was negative value, which is calculated as net debt divided by total capital at the end of each financial period. Net debt equals to our total borrowings and lease liabilities less our cash and cash equivalents. Total capital is calculated as total equity plus net debt.

Net Cash Generated from Operating Activities

Net cash generated from operating activities was RMB2.86 billion for the six months ended 30 June 2025, compared with net cash generated from operating activities of RMB270 million for the six months ended 30 June 2024, representing an increase of RMB2.59 billion in net cash of operating activities over the same period of last year. The improvement in cash flows of operating activities was primarily due to (i) the increase in product deliveries and optimization of gross profit margin; and (ii) the enhancement of operating cash flow management.

Free Cash Flow

Free cash flow was RMB860 million for the six months ended 30 June 2025, compared to RMB(480) million for the six months ended 30 June 2024, representing an increase of RMB1.34 billion in free cash flow compared to the same period of 2024. The improvement was mainly due to the increase in net cash generated from the above-mentioned operating activities.

Treasury Policy

If the Company determines that its cash requirements exceed the amount of cash and cash equivalents it has on hand at the time, it may seek to issue equity or debt securities or obtain credit facilities.

Pledge of Assets

As of 30 June 2025, our Company pledged restricted deposits of RMB4.94 billion for the issuance of bank acceptance notes, security deposits of bank borrowings, customs guarantee and guarantee deposits for the contracts with the Group's suppliers, representing an increase of 149.5% from RMB1.98 billion as of 31 December 2024.

As at 30 June 2025, the Company pledged certain financial assets at FVOCI, land use rights and property, plant and equipment to obtain borrowings and issue bank acceptance notes.

Significant Investments Held

For the six months ended 30 June 2025, the Company did not have any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 30 June 2025).

Future Plans for Material Investments and Capital Assets

As of 30 June 2025, save as otherwise disclosed, the Group has no specific plan for material investments and acquisition of capital assets.

Capital Commitments and Capital Expenditures

The Company had capital commitments amounting to RMB5.34 billion for the acquisition of property, plant and equipment as of 30 June 2025. The Company recorded capital expenditures of RMB2.00 billion for the six months ended 30 June 2025, which were primarily used for the investment in new factory machinery and equipment and the introduction of new model production lines in existing factories.

Contingent Liabilities

As of 30 June 2025, the Company did not have any material contingent liabilities.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

For the six months ended 30 June 2025, the Company did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Non-IFRS Measure

To supplement our interim results, which are presented in accordance with IFRS, we also use adjusted net loss as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of items.

We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. We define adjusted net loss as net loss for the period adjusted by adding back share-based payment expenses.

The following table reconciles our adjusted net loss for the periods presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is net loss for the period:

	For the six months ended 30 June	
	2025	2024
	<i>RMB'00 million</i>	<i>RMB'00 million</i>
Reconciliation of net profit to adjusted net profit:		
Net profit for the six months ended 30 June 2025	0.3	(22.1)
Add:		
– Share-based payment expenses ⁽¹⁾	3.0	1.9
Adjusted net profit (Non-IFRS measure)	3.3	(20.2)

Note:

- (1) Share-based payment expenses mainly represent the arrangement that we receive services from employees as consideration for our equity instruments. Share-based payments are not expected to result in future cash payments.

Risk Management

Foreign Exchange Risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the Group. The Company and its major subsidiaries were incorporated in Mainland China. The Company considers RMB as the functional currency and believes that it currently does not have any significant direct foreign exchange risk arising from its operating activities. As of 30 June 2025, the Company did not hold any financial instruments for hedging purposes.

Interest Rate Risk

The Group's interest-rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. For the six months ended 30 June 2025, the Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk.

EMPLOYEES, TRAINING AND REMUNERATION POLICIES

As of 30 June 2025, the Group had 21,656 full-time employees, the majority of whom are based in Zhejiang Province, China.

The Group primarily recruits its employees through campus recruitment, online recruitment, internal referrals, recruitment firms or agents, and other channels, to satisfy its demand for different types of talents. The Group conducts safety awareness, quality awareness and corporate culture training for R&D and manufacturing staff, and implements a comprehensive training system for all employees. During the Reporting Period, the Group incurred employee benefit expenses of approximate RMB2.97 billion. The Group also holds various training courses conducted online and offline on a weekly basis.

The Group offers its employees competitive compensation packages and a dynamic work environment that encourages initiative. The Group participates in various government statutory employee benefit plans, including social insurance, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance, and housing funds. In addition, the Group purchased employer's liability insurance and additional commercial health insurance to increase insurance coverage of its employees.

To recognise the contributions of key employees and motivate them to further promote the development of the Company, the Company adopted two share award schemes and one pre-IPO share option scheme. For details, please refer to the 2024 annual report of the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sales of treasury shares (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**")))) for the six months ended 30 June 2025. As of the end of the Reporting Period, the Company and any of its subsidiaries did not hold treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions set forth in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules.

During the Reporting Period and up to the date of this results announcement, the Company has complied with the code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules, except for code provision C.2.1 as explained below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairperson of the Board and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairperson of the Board and chief executive officer should be clearly established and set out in writing. The Company does not have a separate role for chairperson of the Board and chief executive officer and Mr. Zhu Jiangming currently performs both the two roles. The Board believes that vesting the roles of both chairperson of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Company and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority will not be impaired by the present arrangement and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairperson of the Board and chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

DIVIDEND

The Board did not recommend the distribution of any interim dividend during the Reporting Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ dealing in the Company’s securities.

Having made specific enquiries to all of the Directors of the Company, all Directors confirmed that they have fully complied with all relevant requirements set out in the Model Code during the Reporting Period and up to the date of this results announcement.

To supplement the Model Code, the Company has also implemented a policy in relation to the handling and dissemination of inside information. Access to inside information is at all times confined to relevant personnel (i.e. Directors, senior management and relevant employees) on a need-to-know basis, until the inside information is properly disclosed in accordance with applicable laws and regulations. Directors, senior management and relevant employees in possession of inside information or potential inside information are required to take reasonable steps to preserve confidentiality and to ensure that its recipients recognize their obligations to maintain confidentiality.

AUDIT COMMITTEE

The Audit Committee comprises Mr. Shen Linhua, Mr. Fu Yuwu and Ms. Drina C Yue, all of whom are independent non-executive Directors. The Audit Committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2025.

REVIEW BY THE INDEPENDENT AUDITOR

The interim results for the six months ended 30 June 2025 have not been audited, but have been reviewed by PricewaterhouseCoopers, the Group's auditor, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

EVENTS AFTER THE REPORTING PERIOD

Except as otherwise disclosed in this announcement, no material subsequent events occurred after 30 June 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue	24,249,601	8,845,408
Cost of sales	<u>(20,823,968)</u>	<u>(8,745,183)</u>
Gross profit	3,425,633	100,225
Selling expenses	(1,405,355)	(902,653)
Administrative expenses	(789,558)	(435,015)
Research and development expenses	(1,894,331)	(1,221,285)
Net impairment losses on financial and contract assets	(3,447)	(354)
Other income	510,496	42,756
Other gains – net	<u>67,932</u>	<u>21,297</u>
Operating loss	(88,630)	(2,395,029)
Finance income	142,240	211,865
Finance costs	<u>(31,810)</u>	<u>(22,739)</u>
Finance income – net	110,430	189,126
Share of net profit/(loss) of associates accounted for using the equity method	<u>11,223</u>	<u>(5,817)</u>
Profit/(loss) before income tax	33,023	(2,211,720)
Income tax reversal/(expense)	<u>7</u>	<u>(16)</u>
Profit/(loss) for the period attributable to the equity holders of the Company	<u>33,030</u>	<u>(2,211,736)</u>
Profit/(loss) per share attributable to the equity holders of the Company (in RMB)		
Basic earnings/(loss) per share	<u>0.02</u>	<u>(1.65)</u>
Diluted earnings/(loss) per share	<u>0.02</u>	<u>(1.65)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	33,030	(2,211,736)
Other comprehensive income/(loss)		
<i>Item that may be not reclassified to profit or loss</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income	<u>7,226</u>	<u>(35,685)</u>
Other comprehensive income/(loss) for the period, net of tax	<u>7,226</u>	<u>(35,685)</u>
Total comprehensive income/(loss) for the period attributable to the equity holders of the Company	<u><u>40,256</u></u>	<u><u>(2,247,421)</u></u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	7,169,636	5,537,482
Right-of-use assets	798,858	736,445
Intangible assets	463,216	450,107
Contract assets	67,197	—
Investment in associates accounted for using the equity method	144,589	163,576
Financial assets at fair value through other comprehensive income	150,411	143,185
Time deposits	9,689,074	4,032,574
Other non-current assets	172,463	130,509
	<u>18,655,444</u>	<u>11,193,878</u>
Current assets		
Inventories	2,590,064	2,022,616
Trade and notes receivables	2,883,172	1,981,272
Other current assets	979,796	475,841
Financial assets at fair value through profit or loss	7,851,294	11,472,948
Financial assets at fair value through other comprehensive income	1,291,641	1,550,289
Time deposits	3,033,734	1,317,743
Restricted cash	2,540,016	1,253,665
Cash and cash equivalents	6,465,338	6,378,268
	<u>27,635,055</u>	<u>26,452,642</u>
Total assets	<u><u>46,290,499</u></u>	<u><u>37,646,520</u></u>
EQUITY		
Share capital	1,407,179	1,336,966
Reserves	28,285,234	25,451,070
Accumulated losses	(16,684,340)	(16,717,370)
Total equity	<u><u>13,008,073</u></u>	<u><u>10,070,666</u></u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
LIABILITIES		
Non-current liabilities		
Borrowings	1,212,425	1,108,437
Contract liabilities	357,447	285,310
Lease liabilities	211,821	186,949
Provisions	916,407	671,881
Deferred income	425,430	348,361
	<u>3,123,530</u>	<u>2,600,938</u>
Current liabilities		
Trade and notes payables	23,327,766	18,903,412
Other payables and accruals	4,370,802	3,725,379
Advances from customers	504,154	583,492
Contract liabilities	108,773	161,419
Borrowings	1,455,159	1,265,715
Lease liabilities	155,632	145,479
Provisions	236,610	190,020
	<u>30,158,896</u>	<u>24,974,916</u>
Total liabilities	<u>33,282,426</u>	<u>27,575,854</u>
Total equity and liabilities	<u><u>46,290,499</u></u>	<u><u>37,646,520</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			
	Share capital	Reserves	Accumulated losses	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2024	1,336,966	25,057,804	(13,896,574)	12,498,196
Loss and total comprehensive loss for the period	–	–	(2,211,736)	(2,211,736)
Fair value change of financial assets at fair value through other comprehensive income	–	(35,685)	–	(35,685)
	–	(35,685)	(2,211,736)	(2,247,421)
Transactions with equity holders				
Share-based payment	–	195,473	–	195,473
As at 30 June 2024 (Unaudited)	<u>1,336,966</u>	<u>25,217,592</u>	<u>(16,108,310)</u>	<u>10,446,248</u>
As at 1 January 2025	1,336,966	25,451,070	(16,717,370)	10,070,666
Profit and total comprehensive income for the period	–	–	33,030	33,030
Fair value change of financial assets at fair value through other comprehensive income	–	7,226	–	7,226
	–	7,226	33,030	40,256
Transactions with equity holders				
Issuance of ordinary shares	70,213	2,527,152	–	2,597,365
Share-based payment	–	299,786	–	299,786
	70,213	2,826,938	–	2,897,151
As at 30 June 2025 (Unaudited)	<u>1,407,179</u>	<u>28,285,234</u>	<u>(16,684,340)</u>	<u>13,008,073</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net cash generated from operations	2,801,517	82,470
Interest received from cash at banks	56,644	185,094
Income taxes received/(paid)	7	(10)
Net cash generated from operating activities	2,858,168	267,554
Cash flows from investing activities		
Investment in an associate	–	(75,972)
Dividends from an associate	4,900	–
Proceeds from sale of property, plant and equipment	7,765	34,324
Payments for land use rights	(1,059)	(6,666)
Payments for property, plant and equipment	(1,967,450)	(734,855)
Payments for intangible assets	(31,869)	(8,312)
Government grants received in relation to acquisition of non-current assets	88,396	35,595
Proceeds from disposals of financial assets at fair value through profit or loss	18,621,090	2,356,662
Payments for financial assets at fair value through profit or loss	(14,911,642)	(4,903,000)
Payments for time deposits	(8,702,796)	(1,054,205)
Proceeds from time deposits	1,396,251	1,813,000
Interest received from time deposits	19,650	83,330
Net cash used in investing activities	(5,476,764)	(2,460,099)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	2,600,000	–
Principal payments of lease liabilities	(95,353)	(21,390)
Net changes in restricted cash as deposits for bank borrowings	(56,080)	–
Repayments of borrowings	(140,086)	(1,037,931)
Proceeds from borrowings	421,079	749,239
Interest paid for borrowings	(12,273)	(17,609)
Interest paid for lease liabilities	(7,098)	(6,464)
Payments for incremental costs directly related to issuance of ordinary shares	(2,635)	(11,320)
Net cash generated from/(used in) financing activities	2,707,554	(345,475)
Net increase/(decrease) in cash and cash equivalents	88,958	(2,538,020)
Cash and cash equivalents at beginning of the period	6,378,268	11,731,389
Exchange (losses)/gains on cash and cash equivalents	(1,888)	4,484
Cash and cash equivalents at end of the period	6,465,338	9,197,853

I NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

Zhejiang Leapmotor Technology Co., Ltd. (“**Zhejiang Leapmotor**”, or the “**Company**”) and its subsidiaries (together, the “**Group**”) are principally engaged in the production, research and development and sales of new energy vehicles in the People’s Republic of China (the “**PRC**”).

The Group has reviewed its exposure to climate-related and other emerging business risks, and has not identified any risks that could significantly impact the financial performance or position of the Group as at 30 June 2025. The Group has sufficient working capital and committed financing facilities to service its operating activities and ongoing investment commitments as at 30 June 2025.

2 SEGMENT AND REVENUE INFORMATION

The Group is engaged in the production, research and development and sales of new energy vehicles in the PRC. The executive directors of the Company (i.e. the CODM) review the operating results of the Group’s business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

(a) Revenue by geographical

During the six months ended 30 June 2025, apart from the business and operations conducted in Mainland China, the Group exported new energy vehicles and parts outside the Mainland China. The following table shows the Group’s total consolidated revenue by location of the customers for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June	
	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
	(Unaudited)	(Unaudited)
Mainland China	22,288,250	8,781,778
Europe	1,849,945	63,630
Others	111,406	—
	24,249,601	8,845,408

2 SEGMENT AND REVENUE INFORMATION (CONTINUED)

(b) Revenue during the reporting period

Revenue mainly comprises sales of vehicles and parts and rendering of embedded services, which is net of rebate and discounts. An analysis of the Group's revenue by category for the six months ended 30 June 2025 and 2024 is as follows:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from customers and recognized at point in time		
Sales of vehicles, parts and others	<u>24,057,938</u>	<u>8,836,298</u>
Revenue from customer and recognized over time		
Rendering of services	<u>191,663</u>	<u>9,110</u>
	<u>24,249,601</u>	<u>8,845,408</u>

- (i) No revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

(c) Contract liabilities

The Group recognized the following contract liabilities related to the contracts with customers:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Non-current		
Rendering of services	<u>357,447</u>	<u>285,310</u>
Current		
Rendering of services and customer loyalty points	<u>108,773</u>	<u>161,419</u>
	<u>466,220</u>	<u>446,729</u>

The contracts of sales of vehicles that resulted in contract liabilities include multiple embedded services (extended one-year or lifetime warranty, vehicle internet connection service, firmware over the air ("FOTA") upgrades, free lifetime roadside assistance service, free lifetime pick-up and delivery for maintenance and others) and customer loyalty points, which are separated from sales of vehicles and are recognized when the service is provided or goods are transferred.

2 SEGMENT AND REVENUE INFORMATION (CONTINUED)

(d) Unsatisfied performance obligations

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Aggregate amount of the transaction price allocated to performance obligations that are partially or fully unsatisfied as at end of period/year	<u>768,880</u>	<u>446,729</u>

Management expected that approximately RMB108,773,000 (31 December 2024: RMB161,419,000) of the transaction price allocated to unsatisfied performance obligations as at 30 June 2025 will be recognized as revenue within one year. The remaining amount of approximately RMB660,107,000 will be recognized in one to eight years (31 December 2024: RMB285,310,000 will be recognized in one to eight years).

(e) Contract assets

The Group recognized the following contract assets related to the contracts with customers:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Contract assets	68,202	–
Loss allowance	<u>(1,005)</u>	<u>–</u>
	<u>67,197</u>	<u>–</u>

3 OTHER GAINS – NET

	Six months ended 30 June 2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Net fair value gains on financial assets at FVPL	87,794	50,958
Net losses on disposals of property, plant and equipment and right-of-use assets	(1,533)	(26,699)
Net foreign exchange losses	(14,915)	(2,006)
Other items	<u>(3,414)</u>	<u>(956)</u>
	<u>67,932</u>	<u>21,297</u>

4 EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Changes in inventories of finished goods	412,747	214,124
Raw materials and consumables used	18,615,129	8,035,177
Reversal for impairment of inventories	(5,264)	(35,437)
Employee benefit expenses	2,974,680	1,433,410
Advertising and publicity expenses	856,836	541,034
Freight and storage expenses	528,306	154,161
Depreciation and amortization expenses	403,926	320,755
Warranty expenses	332,256	228,558
Design and development expenses	246,368	180,189
Legal, consulting and other professional fees	109,617	42,850
Expenses relating to short-term leases and other lease component	28,932	32,085
Auditors' remuneration		
– Audit services	2,015	2,550
Others	407,664	154,680
Total	24,913,212	11,304,136

5 INCOME TAX

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Current income tax (reversal)/expense	(7)	16

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

5 INCOME TAX (CONTINUED)

- (a) The Group's principal applicable taxes and tax rates are as follows:

The Company was entitled to a preferential income tax rate of 15% during the six months ended 30 June 2025 and 2024. The Company obtained its High and New Technology Enterprises ("HNTe") status in year 2018, hence is entitled to a preferential tax rate of 15% for a three-year period commencing 2018. This status is subject to a requirement that the Company reapply for HNTe status in every three years. The Company re-applied for HNTe status and the application was approved for another three-year period commencing 2024. Zhejiang Lingsheng Powertech Co., Ltd. ("Zhejiang Lingsheng"), one of the Company's subsidiaries, was also entitled to a preferential income tax rate of 15% during the six months ended 30 June 2025. Zhejiang Lingsheng obtained its High and New Technology Enterprises ("HNTe") status in year 2024, hence is entitled to a preferential tax rate of 15% for a three-year period commencing 2024.

The Company's other subsidiaries established and operated in Mainland China are subject to the PRC corporate income tax at the statutory rate of 25% during the six months ended 30 June 2025 (during the six months ended 30 June 2024: 25%).

The Company's subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at a rate of 16.5% (for the six months ended 30 June 2024: 16.5%) for the six months ended 30 June 2025.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, from 2021 onwards enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the "Super Deduction").

- (b) In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two) (i.e. BEPS 2.0), and various governments around the world have issued, or are in the process of issuing, legislation on this. Pillar Two legislation in Hong Kong, namely the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025, has been enacted on 6th June 2025 and the rules take effect from 1 January 2025. Other respective governments of the Group's major operating regions have not substantively enacted the legislation on Pillar Two as of the date of approval of these 2025 financial statements. In conjunction with the ultimate holding company of the Group, an assessment was performed on the various regions that the Group has operations and no material exposure was identified or recognised during the period ended 30 June 2025.

6 EARNINGS/(LOSS) PER SHARE

- (a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) of the Group attribute to owners of the Company by weighted average number of ordinary shares issued during the six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to the ordinary equity holders of the company	33,030	(2,211,736)
Weighted average number of ordinary shares in issue (in thousand)	1,361,793	1,336,966
Basic earnings/(loss) per share (expressed in RMB per share)	0.02	(1.65)

6 EARNINGS/(LOSS) PER SHARE (CONTINUED)

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the six months ended 30 June 2025, the Group had potential ordinary shares, including share options issued under the Company's Pre-IPO Share Option Scheme.

As the Group incurred losses for the six months ended 30 June 2024, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended 30 June 2024 are the same as basic loss per share.

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings/(loss) attributable to the ordinary equity holders of the company	33,030	(2,211,736)
Weighted average number of ordinary shares in issue (in thousand)	1,361,793	1,336,966
Adjustments for share awards (in thousand)	9,870	N/A
Weighted average number of ordinary shares for diluted earnings per share	1,371,663	N/A
Diluted earnings/(loss) per share (expressed in RMB per share)	0.02	(1.65)

7 DIVIDEND

No dividend had been declared or paid by the Company during the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil).

8 INVENTORIES

	As at 30 June 2025	As at 31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Raw materials and spare parts	2,038,778	1,063,847
Finished goods	587,738	1,000,485
	2,626,516	2,064,332
Less: provisions for impairment of raw materials	(30,230)	(30,402)
Less: provisions for impairment of finished goods	(6,222)	(11,314)
	(36,452)	(41,716)
	2,590,064	2,022,616

8 INVENTORIES (CONTINUED)

Raw materials primarily consist of materials for volume production which will be transferred into production cost when incurred as well as spare parts used for after sales services.

Finished goods include vehicles ready for transit at production plants, vehicles in transit to fulfil customers' orders, new vehicles available for immediate sales at the Group's sales and servicing center locations.

During the six months ended 30 June 2025, inventories recognized as cost of sales amounted to approximately RMB18,655,236,000 (during the six months ended 30 June 2024: RMB7,924,953,000) and the provision for impairment of inventories as recognized amounted to approximately RMB33,206,000 (during the six months ended 30 June 2024: RMB119,430,000). All these expenses and impairment charge have been included in "cost of sales" in the consolidated statement of comprehensive income/(loss).

During the six months ended 30 June 2025, the provision for impairment of inventories as utilized upon the Group's ultimate sales of the related vehicles/parts amounted to approximately RMB38,470,000 (during the six months ended 30 June 2024: RMB154,867,000) and there was not any reversal of over-provision recognized in profit or loss.

9 TRADE AND NOTES RECEIVABLES

	As at 30 June 2025 <i>RMB '000</i> (Unaudited)	As at 31 December 2024 <i>RMB '000</i> (Audited)
Notes receivables (b)	<u>21,518</u>	<u>348,857</u>
Trade receivables (a)		
Due from related parties	2,298,112	1,050,057
Government subsidies receivables for promotion of new energy vehicles	888	72,762
Due from customers	<u>571,083</u>	<u>515,604</u>
Gross trade receivables	2,870,083	1,638,423
Provisions for impairment	<u>(8,429)</u>	<u>(6,008)</u>
	<u>2,861,654</u>	<u>1,632,415</u>
Total	<u><u>2,883,172</u></u>	<u><u>1,981,272</u></u>

9 TRADE AND NOTES RECEIVABLES (CONTINUED)

- (a) As at 31 December 2024 and 30 June 2025, the aging analysis of the trade receivables based on date of recognition is as follows:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Up to 6 months	2,734,947	1,536,446
6 months to 1 year	131,996	22,985
1 to 2 years	2,240	6,230
Over 2 years	900	72,762
	<u>2,870,083</u>	<u>1,638,423</u>

- (b) The notes receivables have maturity terms ranging from 3 to 6 months.

10 BORROWINGS

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Borrowings included in non-current liabilities:		
Long-term bank borrowings, secured (a)	1,532,307	1,261,340
Long-term other borrowings, secured (b)	7,780	27,870
Long-term other borrowings, unsecured and unguaranteed (c)	110,714	80,597
Less: current portion included in current liabilities	<u>(438,376)</u>	<u>(261,370)</u>
	<u>1,212,425</u>	<u>1,108,437</u>
Borrowings included in current liabilities:		
Other borrowings, unsecured and unguaranteed (d)	1,000,000	1,000,000
Current portion of long-term borrowings (a)(b)(c)	438,376	261,370
Interest payables	<u>16,783</u>	<u>4,345</u>
	<u>1,455,159</u>	<u>1,265,715</u>
Total borrowings	<u><u>2,667,584</u></u>	<u><u>2,374,152</u></u>

10 BORROWINGS (CONTINUED)

- (a) As at 30 June 2025, the Group had the long-term bank borrowings with the total amount of approximately RMB1,532,307,000 (31 December 2024: RMB1,261,340,000), of which approximately RMB417,586,000 (31 December 2024: RMB233,500,000) will be due within one year from the balance sheet date.

As at 30 June 2025, the Group's long-term bank borrowings bear interests at floating interest rates ranging from 2.65% to 2.95% per annum, and were secured by the pledge of the Group's buildings with an amount of approximately RMB399,237,000 (31 December 2024: RMB408,937,000), construction in progress with an amount of approximately RMB788,246,000 (31 December 2024: RMB546,785,000), land use rights with an amount of approximately RMB449,014,000 (31 December 2024: RMB452,876,000), bank time deposits with an amount of RMB79,400,000 (31 December 2024: RMB149,400,000) and restricted cash with an amount of RMB56,080,000 (31 December 2024: nil).

- (b) As at 30 June 2025, the Group's long term other borrowings comprised 24-months borrowings from one finance leasing companies with a total amount of RMB7,780,000 (31 December 2024: RMB27,870,000), of which RMB7,780,000 (31 December 2024: RMB27,870,000) will be due within one year. The borrowings were obtained through sales and leaseback arrangements, whereby certain property, plant and equipment of the Group were sold and leased back for a 24-months lease term. The Group has the option to repurchase the property, plant and equipment upon the completion of the leases at an insignificant nominal value. During the lease term and before the exercise of the repurchase options upon completion of the lease term, the property, plant and equipment were effectively pledged as security for the borrowings and were restricted under the agreements where lessors' consent must be obtained for the pledge or disposal of these assets. As at 30 June 2025, the long-term other borrowings had effective interest rates of 4.40% (31 December 2024: from 5% to 5.01%) per annum and the property, plant and equipment pledged had carrying amount of approximately RMB14,520,000 (31 December 2024: RMB117,256,000).
- (c) As at 30 June 2025, the Group had a 10-year borrowing and a 14-month borrowing from a third party with total amounts of approximately RMB97,704,000 and RMB13,010,000, which had effective interest rate of 3.76% and 0.01% per annum, respectively.
- (d) As at 30 June 2025, the Group had a 9-month borrowing from a related party with a total amount of approximately RMB1,000,000,000 which has an effective interest rate of 2.50% per annum.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity date, whichever is earlier, were as follows:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Less than 1 year	1,438,376	1,261,370
Between 1 and 2 years	335,889	457,043
Between 2 and 5 years	529,385	430,474
Over 5 years	347,151	220,920
	<u>2,650,801</u>	<u>2,369,807</u>

10 BORROWINGS (CONTINUED)

(d) (continued)

The fair values of current borrowings approximate their carrying amount as the discounting impact is not significant.

The fair values of non-current borrowings as at 31 December 2024 and 30 June 2025 were disclosed as follows:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Non-current borrowings	<u>1,214,645</u>	<u>1,101,044</u>

11 TRADE AND NOTES PAYABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade payables		
– Payables for materials	11,854,381	11,575,839
Notes payables		
– Payables for materials	<u>11,473,385</u>	<u>7,327,573</u>
	<u>23,327,766</u>	<u>18,903,412</u>

As at 30 June 2025 and 31 December 2024, the notes payables had maturity terms ranging from 3 to 6 months and the issuance of these notes payables were guaranteed by certain restricted cash, short-term bank time deposits and notes receivables.

The carrying amounts of trade payables approximate their fair values due to their short-term maturity in nature.

The aging analysis of the trade payables based on purchase date is as follows:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Up to 6 months	11,628,151	11,476,516
6 months to 1 year	147,770	3,293
Over 1 year	<u>78,460</u>	<u>96,030</u>
	<u>11,854,381</u>	<u>11,575,839</u>

12 OTHER PAYABLES AND ACCRUALS

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Accrued expenses		
– Advertising and publicity expense	979,551	976,158
– Rebate payables	691,461	561,917
– Freight expenses	273,002	23,611
Payroll and welfare payables	709,232	650,991
Payables for purchases of property, plant and equipment	449,691	418,951
Payables for design and development services	374,536	341,620
Deposit from suppliers and distributors	313,420	247,508
Other taxes payables	322,127	235,351
Others	257,782	269,272
	4,370,802	3,725,379

13 BASIS OF PREPARATION

This interim condensed consolidated financial report for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the Group during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

13.1 New standards and interpretations

(a) *New or amended standards adopted by the Group*

A number of new or amended standards became applicable for the current reporting period. The Group assessed the adoption of these new and amended standards and concluded that they did not have a significant impact on the Group's interim results and financial position.

Standards and amendments	Effective for annual periods beginning on or after
IAS 21 (Amendment) "Lack of exchangeability"	1 January 2025

13 BASIS OF PREPARATION (CONTINUED)

13.1 New standards and interpretations (continued)

(b) Impact of standards issued but not yet applied by the entity

The followings are new or amended standards that have been issued but are not effective for the financial year beginning on 1 January 2025 and have not been early adopted by the Group. The Group plans to adopt these new or amended standards when they become effective:

Standards and amendments	Effective for annual periods beginning on or after
IFRS 9 (Amendment) and IFRS 7 (Amendment) “Contracts referencing nature-dependent electricity”	1 January 2026
IFRS 9 (Amendment) and IFRS 7 (Amendment) “Amendments to the classification and measurement of financial instruments”	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 “Presentation and disclosure in financial statements”	1 January 2027
IFRS 19 “Subsidiaries without public accountability: disclosures”	1 January 2027
IFRS 10 (Amendment) and IAS 28 (Amendment) “Sale or contribution of assets between an investor and its associate or joint venture”	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards. According to the preliminary assessment made by the Group, no significant impact on the financial performance and positions of the Group is expected when they become effective.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement has been published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.leapmotor.com. The interim report of the Company will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders who have already provided instructions indicating their preference to receive the corporate communications in printed form in due course.

RESULTS CONFERENCE CALL

The management of the Company will host a conference call in relation to the interim results of the Group for the six months ended 30 June 2025 (the **"Results Conference Call"**) through webcast at 7:00 p.m. on Monday, 18 August 2025 (Beijing/Hong Kong time).

Investors who wish to attend the Results Conference Call shall complete registration online through the following link at least 20 minutes prior to the commencement time of the Results Conference Call: <https://ir.leapmotor.com/en/active>. The Company will facilitate channels for investors to raise questions before the Results Conference Call. Investors may submit relevant questions to the designated email address for collecting the questions regarding the Results Conference Call: ir@leapmotor.com. The latest time for the collection through emails will be 7:00 p.m. on Monday, 18 August 2025 (Beijing/Hong Kong time). The questions which are of common concern to the investors will be answered by the Company on the Results Conference Call.

Investors may revisit the webcast and audio recording of the Results Conference Call at the following website: <https://ir.leapmotor.com/en/active>.

ABOUT THE COMPANY

Leapmotor is an NEV company based in China that possesses full-suite in-house R&D capabilities in NEV's core technologies with its business scope covering intelligent electric vehicle design, R&D and manufacturing, assisted driving, motor and electronic control systems, battery system development, and vehicle internet solutions based on cloud computing. As a technology-driven company, Leapmotor has always insisted on developing its core technologies independently. Leapmotor has developed and manufactured high value-added core components that account for 65% of the total vehicle cost, and had launched the industry's first 8 in 1 electric drive, the industry's first mass-produced CTC battery chassis integration technology, the industry's first "Four Leaf Clover" centrally integrated electronic and electrical architecture and other leading smart electric technologies. Leapmotor's product lineup encompasses four major series – series A, B, C, and D – forming a comprehensive product matrix that includes sedans, SUVs, MPVs, and more. Its current models for sale include B01, B10, C16, C10, C11, C01, and T03, with bonus options of "dual model layout of battery electric + extended range" available to meet the diverse needs of different consumers. In 2023, Stellantis Group became a shareholder of Leapmotor. In May 2024, the two parties officially established the Leapmotor International Joint Venture to expand into international markets. Leapmotor's light assets "reverse overseas expansion" strategy has created a new model for Chinese automobile enterprises to go overseas. Leveraging Stellantis Group's international channel resources, it has set a new record for the speed of overseas expansion among emerging auto brands. As of June 2025, Leapmotor had delivered over 800,000 vehicles, ranking among the top tier of emerging auto brands.

The Company's shareholders and potential investors should note that this announcement includes forward-looking statements, including, without limitation, those regarding our future financial position, strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate. These forward-looking statements can be identified by terminology such as "will," "expect," "anticipate," "aim," "future," "intend," "plan," "believe," "estimate," "could," and similar statements. These forward-looking statements are based on some assumptions regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. All information provided in this announcement is as of the date of this announcement, and the Company does not accept any responsibility or obligation to update any of the forward-looking statements, except as required under applicable laws.

The Company's shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Zhejiang Leapmotor Technology Co., Ltd.
Mr. Zhu Jiangming
*Founder, Chairperson of the Board and
Chief Executive Officer*

Hong Kong, 18 August 2025

As at the date of this announcement, the Board comprises Mr. Zhu Jiangming, Mr. Cao Li and Mr. Zhou Hongtao as executive Directors; and Mr. Grégoire Olivier, Mr. Douglas Ostermann and Mr. Jin Yufeng as non-executive Directors; and Mr. Fu Yuwu, Ms. Drina C Yue and Mr. Shen Linhua as independent non-executive Directors.