Leader Environmental Technologies Limited

Condensed interim financial statements
For the six months ended 30 June 2026

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Legends:

HY2026	– 6 months ended 30 June 2026
HY2026	– 6 months ended 30 June 2025
FY2025	- 12 months ended 31 December 2025
NM	– not meaningful

Consolidated statements of financial position

As at 30 June 2026

		Group		Company	
		30 June 2026	31 December 2025	**30 June 2026**	31 December 2025
	Note	**RMB'000**	RMB'000	**RMB'000**	RMB'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	3	**49,120**	53,195	**5,451**	5,515
Intangible assets	4	**906**	1,033	**-**	-
Investment in subsidiaries		**-**	-	**113,430**	111,852
Investment in associates		**15,908**	10,344	**-**	-
Deferred tax asset		**2,162**	2,092	**-**	-
Total non-current assets		**68,096**	66,664	**118,881**	117,367
Current Assets					
Contract assets	5	**4,559**	9,196	**-**	-
Inventories	6	**2,476**	2,532	**-**	-
Trade and other receivables	7	**17,727**	21,804	**14,135**	82,645
Prepayments		**779**	616	**228**	121
Cash and bank balances		**86,074**	94,986	**59,230**	8,401
Total current assets		**111,615**	129,134	**73,593**	91,167
Total assets		**179,711**	195,798	**192,474**	208,534
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	13	**126,399**	126,399	**126,399**	126,399
PRC statutory common reserve		**1,175**	1,168	**-**	-
Currency translation reserve		**1,084**	2,982	**-**	-
Share option reserve		**4,365**	4,365	**4,365**	4,365
Accumulated losses		**(161,854)**	(151,306)	**(48,313)**	(40,236)
Equity attributable to owners of the Company		**(28,831)**	(16,392)	**82,451**	90,528
Non-controlling interests		**5,343**	5,493	**-**	-
Total equity		**(23,488)**	(10,899)	**82,451**	90,528
Non-Current Liabilities					
Bank borrowings	8	**14,221**	16,279	**-**	-
Lease liabilities		**570**	747	**89**	155
Provision for restoration costs	10	**584**	595	**-**	-
Total non-current liabilities		**15,375**	17,621	**89**	155
Current Liabilities					
Bank borrowings	8	**5,943**	5,950	**-**	-
Convertible bonds	9	**107,471**	108,090	**107,471**	108,090
Lease liabilities		**906**	1,011	**261**	386
Other liabilities	12	**2,828**	2,653	**1,305**	1,230
Trade and other payables	11	**64,182**	64,830	**897**	8,145
Income tax payable		**6,494**	6,542	**-**	-
Total current liabilities		**187,824**	189,076	**109,934**	117,851
Total liabilities		**203,199**	206,697	**110,023**	118,006
Total equity and liabilities		**179,711**	195,798	**192,474**	208,534

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2026

	Note	HY2026 RMB'000	HY2025 RMB'000	Change %
		Group		
Revenue	15	**6,614**	2,064	220.4
Cost of sales		**(4,890)**	(1,893)	158.3
Gross profit		**1,724**	171	908.2
Finance income		**172**	69	149.3
Fair value loss on convertible bond		*****	(3,277)	(100.0)
Other income		**1,440**	2,561	(43.8)
Selling and distribution expenses		**(29)**	(224)	(87.1)
Administrative expenses		**(11,200)**	(19,683)	(43.1)
Finance costs		**(3,115)**	(7,482)	(58.3)
Reversal of impairment loss of trade and other receivables		**180**	-	NM
Other expenses		**(3)**	(478)	(99.4)
Share of results of associate and joint venture		**(723)**	(624)	15.9
Loss before taxation	16	**(11,554)**	(28,967)	(60.1)
Taxation	17	**70**	-	NM
Loss after taxation		**(11,484)**	(28,967)	(60.4)
Discontinued operations:				
Loss after taxation from discontinued operations, net of tax		**-**	(5,828)	NM
Loss after taxation		**(11,484)**	(34,795)	(67.0)
Other comprehensive income, after tax				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences		**(1,898)**	1,055	NM
Items that will not be reclassified subsequently to profit or loss:				
Currency translation differences		**(949)**	527	NM
Other comprehensive profit (loss) after tax		**(2,847)**	1,582	NM
Total comprehensive loss for the year		**(14,331)**	(33,213)	(56.9)
Loss after taxation attributable to:				
- Owners of the Company		**(10,541)**	(32,960)	(68.0)
- Non-controlling interests		**(943)**	(1,835)	(48.6)
		(11,484)	(34,795)	(67.0)
Total comprehensive loss attributable to:				
- Owners of the Company		**(12,439)**	(31,905)	(61.0)
- Non-controlling interests		**(1,892)**	(1,308)	44.6
		(14,331)	(33,213)	(56.9)
Loss per share:				
Basic (RMB in cents)	19	**(0.69)**	(2.15)	
Diluted (RMB in cents)	19	**(0.69)**	(2.15)	

(*): less than RMB1,000.

Consolidated statements of changes in equity

Half year ended 30 June 2026 and 2025

The Group	Share capital RMB'000	PRC statutory common reserve RMB'000	Currency translation reserve RMB'000	Share option reserve RMB'000	Accumulated losses RMB'000	Total attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2026	**126,399**	**1,168**	**2,982**	**4,365**	**(151,306)**	**(16,392)**	**5,493**	**(10,899)**
Loss for the period	**-**	**-**	**-**	**-**	**(10,541)**	**(10,541)**	**(943)**	**(11,484)**
Other comprehensive income/(loss)	**-**	**-**	**(1,898)**	**-**	**-**	**(1,898)**	**(949)**	**(2,847)**
Total comprehensive income/(loss) for the period	**-**	**-**	**(1,898)**	**-**	**(10,541)**	**(12,439)**	**(1,892)**	**(14,331)**
Transactions with owners, recognised directly in equity								
Capital contributions from non-controlling shareholders of a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**1,742**	**1,742**
Appropriation of profit to reserve	**-**	**7**	**-**	**-**	**(7)**	**-**	**-**	**-**
Total transactions with owners	**-**	**7**	**-**	**-**	**(7)**	**-**	**1,742**	**1,742**
At 30 June 2026	**126,399**	**1,175**	**1,084**	**4,365**	**(161,854)**	**(28,831)**	**5,343**	**(23,488)**
At 1 January 2025	375,049	1,168	2,484	4,102	(360,883)	21,920	16,718	38,638
Loss for the period	-	-	-	-	(32,960)	(32,960)	(1,835)	(34,795)
Other comprehensive income	-	-	1,055	-	-	1,055	527	1,582
Total comprehensive income/(loss) for the period	-	-	1,055	-	(32,960)	(31,905)	(1,308)	(33,213)
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	-	276	-	276	-	276
Total transactions with owners	-	-	-	276	-	276	-	276
At 30 June 2025	375,049	1,168	3,539	4,378	(393,843)	(9,709)	15,410	5,701

Consolidated statements of changes in equity (Cont'd)

Half year ended 30 June 2026

The Company	Share capital (*) RMB'000	Share option reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2026	**126,399**	**4,365**	**(40,236)**	**90,528**
Loss for the period representing total comprehensive loss for the period	**-**	**-**	**(8,077)**	**(8,077)**
At 30 June 2026	**126,399**	**4,365**	**(48,313)**	**82,451**

The Company	Share capital (*) RMB'000	Share option reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2025	375,049	4,102	(324,470)	54,681
Loss for the period representing total comprehensive loss for the period	-	-	(20,731)	(20,731)
Transactions with owners, recognised directly in equity				
Recognition of share-based payments	-	276	-	276
Total transactions with owners	-	276	-	276
At 30 June 2025	375,049	4,378	(345,201)	34,226

(*): *During FY2025, following the completion of the disposal of the AIWater Group, the Company undertook a capital reduction of RMB248.650 million, reducing its issued and paid-up share capital from RMB375.1 million to RMB126.4 million.*

The capital reduction was accompanied by a cash distribution of S$0.0287 per ordinary share, which was paid to shareholders on 11 August 2025. Further information is set out in Notes 13 and 14 to the audited financial statements for the financial year ended 31 December 2025 as published in SGX-ST on 13 April 2026.

Consolidated statement of cash flows
For the Half year ended 30 June 2026

	Group	
	HY2026	HY2025
	RMB'000	RMB'000
Operating Activities		
Loss before taxation – continuing operations	**(11,554)**	(28,967)
Loss before taxation – discontinued operations	**-**	(4,789)
	(11,554)	(33,756)
Adjustments for:		
Depreciation of property, plant and equipment	**3,417**	4,299
Share-based payment expenses	**-**	276
Amortisation of intangible assets	**127**	127
Fair value loss of embedded derivatives on convertible bonds	**-**	3,277
Reversal of impairment loss on financial assets and contract assets	**180**	-
Share of results of associate, net of tax	**723**	624
Exchange gain on convertible bonds	**(3,147)**	(1,960)
Finance costs	**3,115**	7,482
Finance income	**(172)**	(108)
Operating loss before working capital changes	**(7,311)**	(19,739)
Decrease/(Increase) in contract assets	**4,637**	(894)
Decrease in inventories	**12**	2,218
Decrease/(Increase) in trade and other receivables	**3,848**	(93)
Increase in prepayments	**(164)**	(322)
Decrease in contract liabilities	**-**	(469)
Increase in trade and other payables	**1,049**	1,113
Increase/(Decrease) in other liabilities	**145**	(1,320)
Cash used in operations	**2,216**	(19,506)
Income tax paid	**(48)**	-
Net cash from (used in) operating activities	**2,168**	(19,506)
Investing Activities		
Acquisition of property, plant and equipment	**(672)**	(2,968)
Investment in an associated company	**(8,160)**	-
Interest income received	**172**	108
Net cash used in investing activities	**(8,660)**	(2,860)
Financing Activities		
Proceeds from bank borrowings	**3,000**	-
Repayments of bank borrowings	**(5,062)**	(1,932)
Repayments of lease liabilities	**(320)**	(850)
Grants received	**-**	2,545
Interest paid	**(547)**	(548)
Capital contributions from non-controlling shareholders of subsidiary	**1,742**	-
Decrease in bank deposits pledged	**-**	2,198
Net cash (used in) from financing activities	**(1,187)**	1,413
Net decrease in cash and cash equivalents	**(7,679)**	(20,953)
Cash and cash equivalents at beginning of year	**90,162**	49,093
Effect of exchange rate changes on the balance of cash held in foreign currencies	**(1,091)**	(159)
Cash and cash equivalents at end of period (Note A)	**81,392**	27,981

Consolidated statement of cash flows (cont'd)
For the Half year ended 30 June 2026

A Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents in the condensed consolidated statement of cash flows comprise the following balance sheet amounts:

	30 June 2026 RMB'000	30 June 2025 RMB'000
Cash and bank balances – continuing operations	**86,074**	29,978
Cash and bank balances – discontinued operations	**-**	2,851
Total	**86,074**	32,829
Less:		
Deposits pledged to secure bank borrowing	**(3,992)**	(4,158)
Restricted cash	**(690)**	(690)
Cash and cash equivalents	**81,392**	27,981

Deposits pledged represents funds earmarked in a debt service reserve account as mandated by a bank to secure the bank loan to partly finance the outright lease payments of leasehold land and building for the membrane manufacturing facility.

Restricted cash relates to a subsidiary's bank balance that the bank holds as a deposit for toll fees and other related charges for specific registered vehicles of the subsidiary.

B Cash flow analysis

Half year ended 30 June 2026

Net cash inflow from operating activities was RMB2.2 million as compared with net cash outflow of RMB19.5 million used in operating activities in the same period last year mainly due to lower operating losses before working capital changes, decrease in contract assets and decrease in trade and other receivables.

Net cash used in investing activities of RMB8.7 million are mainly due to acquisitions of property, plant and equipment and right-of-use assets amounting to RMB0.7 million, capital injection of RMB8.2 million into associated company and net additions to property, plant and equipment of RMB0.7 million.

Net cash generated used in financing activities was RMB1.2 million due to capital contributions from non-controlling shareholder of RMB1.7 million which is partly offset by net repayments of bank borrowings of RMB2.1 million, repayments of lease liabilities of RMB0.3 million and interest paid of RMB0.5 million.

Notes to the condensed interim financial statements

1 Corporate information

Leader Environmental Technologies Limited is incorporated and domiciled in Singapore, and its registered office is located at 5 Shenton Way, #12-01 UIC Building, Singapore 068808. These condensed interim financial statements for the six months ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the "Group"). The principal activity of the Company is that of an investment holding company.

The principal activities of the Group are:

(a) Provision of engineering, procurement and construction ("**EPC**") services in respect of sludge and water treatment;
(b) Manufacturing of high performance membrane products; and
(c) Greentech investments in start-ups in technologies, high-tech products and services relating to environmental protection.

In FY2025, the Group completed the disposal of AIWater Group. Further details are set out in the Annual Report - Note 13 to the audited financial statements for the financial year ended 31 December 2025 - as published in SGX-ST on 13 April 2026.

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

The condensed interim financial statements are presented in RMB which is also the Company's functional currency.

The condensed interim financial statements do 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 as at 31 December 2025. The accounting policies and methods of computation adopted in the interim financial statements are consistent with those of the previous audited financial year which were prepared in accordance with SFRS(I)s.

2.1 Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except as otherwise described in the notes below. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

2.2 New and amended standards adopted by the Group

There are a number of new and revised accounting standards that are effective for annual financial periods beginning on or after 1 January 2026. The Group and Company assessed these changes and did not have to change its accounting policies nor make any retrospective adjustments as a result of adopting these standards.

In preparing the condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

2.3. Use of judgements and estimates

Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in the FY2025 annual report, and there are no deviations for HY2026.

3. Property, plant and equipment ("PPE")

In HY2026, the Group:

(a) acquired new PPE with an aggregate cost amounting to RMB672,000 (31 December 2025: RMB4,044,000). The Group made cash payments of RMB672,000 (2025: RMB3,434,000) to acquire property, plant and equipment;

(b) recognised a negative exchange realignment movement of RMB1,715,000 (31 December 2025: a positive exchange realignment of RMB92,000) arising from currency translation differences; and

(c) recognised an impairment loss of RMBNil (FY2025: RMB898,000) relating to leasehold buildings and certain equipment and machineries;

4. Intangible assets

	Group	
	30 June 2026 RMB'000	31 December 2025 RMB'000
Cost	**2,163**	2,163
Accumulated amortisation:		
At beginning of period/year	**1,130**	876
Amortisation for the period/year	**127**	254
At end of period/year	**1,257**	1,130
Carrying amount	**906**	1,033

This relates to patented sludge treatment technologies which will be amortised over a 5 to 10-year period.

5. Contract assets

	Group	
	30 June 2026 RMB'000	31 December 2025 RMB'000
Sludge treatment project	**13,455**	13,455
Engineering contracts and specialised equipment	**5,558**	10,195
Total	**19,013**	23,650
Less: loss allowance	**(14,454)**	(14,454)
Net	**4,559**	9,196

The contract assets relate primarily to the Group's right to recognise revenue for work completed but not billed at the reporting date on its industrial wastewater and sludge treatment project. Upon fulfilling certain agreed performance milestones with customers or commissioning and handing over of projects to customers, the amounts recognised as contract assets are reclassified to trade receivables when the rights become unconditional.

During the half year ended 30 June 2026, there was no allowance for impairments recognised on the contract assets based on the application of the expected credit loss model. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

6. Inventories

	Group	
	30 June 2026 RMB'000	31 December 2025 RMB'000
Raw materials, at cost	**1,612**	1,782
Finished goods	**1,014**	768
Work-in-progress	**154**	286
Less: Allowance for impairment	**(304)**	(304)
Total	**2,476**	2,532

7. Trade and other receivables

	Group 30 June 2026 RMB'000	Group 31 December 2025 RMB'000	Company 30 June 2026 RMB'000	Company 31 December 2025 RMB'000
Trade receivables	**8,030**	8,722	**-**	-
Allowance for impairments	**(1,510)**	(1,690)	**-**	-
Net trade receivables	**6,520**	7,032	**-**	-
Other receivables				
- Amounts due from subsidiaries	**-**	-	**13,165**	79,473
- Amounts due from related party	**301**	316	**628**	628
- Advances to trade suppliers	**537**	2,716	**-**	-
- Advances to non-trade suppliers	**8,052**	7,501	**-**	-
- Grant receivable	**-**	2,445	**-**	2,445
- VAT and other tax receivables	**1,473**	1,123	**-**	-
- Others	**844**	671	**342**	99
	11,207	14,772	**14,135**	82,645
Total	**17,727**	21,804	**14,135**	82,645

The amounts due from subsidiaries and related party are non-trade in nature, unsecured, non-interest bearing, repayable on demand, and are expected to be settled in cash when the entities' cash flow permits.

8. Borrowings

	Group 30 June 2026 RMB'000	Group 31 December 2025 RMB'000
Non-current liabilities		
Bank loans – secured (Note A)	**14,221**	16,279
Current liabilities		
Bank loans – secured (Note A)	**2,943**	2,950
Bank loans – unsecured (Note B)	**3,000**	3,000
Total	**5,943**	5,950
Total borrowings	**20,164**	22,229

Notes:

(A) The bank loans obtained by the subsidiary to finance the outright lease payments of the leasehold land and building for purpose of the membrane manufacturing facility are secured by the following:

(i) legal mortgage of leasehold property at 8 Tuas West Avenue Singapore 638431;

(ii) corporate guarantees for all monies owing to be provided by the holding company and non-controlling shareholder of the subsidiary; and

(iii) bank deposit of RMB3,992,000 (FY2025: RMB4,134,000) earmarked in a debt service reserve account with the bank to make payments in the event of disruption of cash flows to the extent that the repayments cannot be made.

The secured bank loans are subjected to floating interest of 0.88% per annum above 3-month Compounded Singapore Overnight Rate Average ("3M Compounded SORA") for the first year, 1.00% per annum above 3M Compound SORA and 4.00% per annum above 3M Compounded SORA thereafter. and 3.48% per annum above 3M SIBOR thereafter. The effective interest rate for the bank loan ranging from 5.07% to 5.20% (FY2025: 3.29% to 5.24%).

The subsidiary is subject to externally imposed bank covenant as it needs to maintain at all times a tangible net worth of not less than S$6.0 million (approximately RMB32.2 million). During the financial period ended 30 June 2026, there were no known instances of any breaches of bank covenants by the subsidiary.

(B) The unsecured loan bears floating interest at 0.069% per annum above the one-year Loan Prime Rate (LPR) published by the National Interbank Funding Center of China. The effective interest rate as at 30 June 2026 was 3.07% (FY2025: 3.90%) per annum.

9. Convertible Bonds

	Group and Company	
	30 June 2026 RMB'000	31 December 2025 RMB'000
Debt host liability component, at amortised cost	**107,471**	108,090
Derivative asset component, at fair value	*	*
Total	**107,471**	108,090

(*) *Less than RMB1,000*

The Group reclassified its convertible bonds from non-current liabilities to current liabilities in accordance with the amendments to *SFRS(I) 1-1 Classification of liabilities as current or non-current*. The US$15 million Convertible Bonds ("CB") which are potentially convertible into a total of 214,260,000 new shares.

The Group's CB comprises a derivative liability component that is measured at fair value for financial reporting purposes. At financial year end, Management will engage a third-party qualified valuer to perform the valuation and works closely with the valuer to determine the appropriate valuation techniques and inputs for the valuation. In estimating the fair value of the derivative liability component, market-observable data is used to the extent it is available.

	Group and Company	
	30 June 2026 RMB'000	31 December 2025 RMB'000
Nominal value of CB issued	**105,787**	105,787
Less: transaction costs	**(2,294)**	(2,294)
Net value of CB issued	**103,493**	103,493
Accumulated interest expense accrued	**31,668**	29,140
Fair value gain on embedded derivatives on CB	**(23,429)**	(23,429)
Currency translation differences	**(4,261)**	(1,114)
Debt host and derivative liability component at end of period	**107,471**	108,090

The interest accrued is calculated by applying an effective interest rates ranging from 2.60% (FY2025: 2.60% to 12.51%) per annum for the first tranche and 4.93% (FY2025: 4.93% to 13.61%) per annum for the second tranche, to the liability component. Management estimated that the carrying amount of the liability component of the CB as at 30 June 2026 and 31 December 2025 approximates its fair value.

10. Provision for restoration costs

	Group	
	30 June 2026 RMB'000	31 December 2025 RMB'000
Beginning of the financial period/year	**595**	529
Unwinding interest	**5**	59
Currency translation differences	**(16)**	7
End of the financial period/year	**584**	595

11. Trade and other payables

	Group		Company	
	30 June 2026 RMB'000	31 December 2025 RMB'000	**30 June 2026 RMB'000**	31 December 2025 RMB'000
Trade payables	**15,533**	18,897	**-**	-
Other payables	**11,166**	9,512	**227**	50
Deposits from customer	**836**	245	**-**	-
VAT and other tax payables	**696**	130	**-**	-
Amounts due to related parties	**190**	197	**-**	-
Amounts due to associate	**1,426**	1,514	**-**	-
Withholding tax payable (Note 24)	**34,335**	34,335	**-**	-
Amounts due to subsidiaries	**-**	-	**670**	8,095
Total	**64,182**	64,830	**897**	8,145

12. Other liabilities

	Group		Company	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025
	RMB'000	RMB'000	**RMB'000**	RMB'000
Accrued salaries and operating expenses	**309**	334	**157**	142
Accrued operating expenses	**1,767**	1,541	**1,148**	1,088
Accrued capital expenditure	**752**	778	**-**	-
Total	**2,828**	2,653	**1,305**	1,230

13. Share capital

	30 June 2026		31 December 2025	
Group and Company	**Number of shares**	**Amount**	Number of shares	Amount
		RMB'000		RMB'000
At beginning and end of period	**1,534,878,360**	**126,399**	1,534,878,360	126,399

The Company did not hold any treasury shares as at 30 June 2026 and 31 December 2025.

The Company's subsidiaries did not hold any shares in the Company as at 30 June 2026 and 31 December 2025.

Outstanding shares as at 30 June 2026

1. Share options to subscribe for 26,700,000 ordinary shares (FY2025: 26,700,000) were outstanding under the Leader Environmental Technologies Share Option Scheme; and

2. The Convertible bonds ("CB") of USD15 million issued in 2023 had a maturity date of 3 years, and an extension option by the Company of further 2 years. The CB potentially can be convertible into 214,260,000 new shares.

   In FY2025, the Company had exercised the extension option of the CB and the extended maturity dates for Tranche 1 amounting to US$6 million will be on 3 March 2028 and for Tranche 2 amounting to US$9 million will be on 31 July 2028 respectively.

14. Seasonal operations

The Group's business is not affected significantly by seasonal or cyclical factors.

15. Segment and revenue information

For management purposes, the Group is organised into the following reportable operating segments which are as follows:-

(i) Engineering and sludge treatment services;
(ii) Manufacturing of high-performance membrane products; and
(iii) Others.

There are no operating segments that have been aggregated to form the above reportable operating segments. For entities which are not generating revenue, they are grouped under "Others".

"Others" include other income received and expenses incurred which are considered non-core business of the Group and does not meet any of the Group's quantitative thresholds for determining reportable segments during the financial period ended 30 June 2026 and 2025 respectively.

The Executive Chairman and Chief Executive Officer monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as set out below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing is allocated to operating segments according to the revenue generated.

The chief operating decision makers review the results of the segment using segment's EBITDA and profit/(loss) after taxation. Segment assets, liabilities, non-current assets and other expenses are not disclosed as they are not regularly provided to the chief operating decision makers.

15. Segment and revenue information (Cont'd)

a) Reportable segments

	30 June 2026			
	Engineering and sludge treatment services	Manufacturing of membrane products	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<u>**Group**</u>				
Revenue				
Sales to external customers	**6,547**	**67**	**-**	**6,614**
Results				
Segmental results	**494**	**511**	**(5,529)**	**(4,524)**
Reversal of Impairment loss on trade and other receivables	**180**	**-**	**-**	**180**
EBITDA	**674**	**511**	**(5,529)**	**(4,344)**
Depreciation and amortisation	**(967)**	**(1,840)**	**(737)**	**(3,544)**
Finance costs	**(58)**	**(529)**	**(2,528)**	**(3,115)**
Finance income	**17**	**1**	**154**	**172**
Share of results of an associate	**(147)**	**(576)**	**-**	**(723)**
Loss before taxation	**(481)**	**(2,433)**	**(8,640)**	**(11,554)**
Taxation	**70**	**-**	**-**	**70**
Loss for the period	**(411)**	**(2,433)**	**(8,640)**	**(11,484)**

* EBITDA – Earnings before interest, taxation, depreciation and amortisation.

15. Segment and revenue information (Cont'd)

a) Reportable segments

Group	Engineering and sludge treatment services	Manufacturing of high-performance membrane products	Others	Total	AIWater treatment services	Inter-segment elimination	Total continuing and discontinued operations
	30 June 2025						
	<--------Continuing operations-------->				Discontinued operations		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue							
Sales to external customers	1,685	379	-	2,064	15,611	-	17,675
Inter-segment sales	1,014	-	-	1,014	943	(1,957)	-
Total	2,699	379	-	3,078	16,554	(1,957)	17,675
Results							
Segmental results	(4,351)	(2,186)	(7,208)	(13,745)	(4,438)	-	(18,183)
Fair value loss from convertible bond	-	-	(3,277)	(3,277)	-	-	(3,277)
EBITDA	(4,351)	(2,186)	(10,485)	(17,022)	(4,438)	-	(21,460)
Depreciation and amortisation	(1,561)	(1,961)	(386)	(3,908)	(391)	-	(4,299)
Finance costs	(60)	(485)	(6,937)	(7,482)	-	-	(7,482)
Finance income	20	-	49	69	40	-	109
Share of results of an associate	9	(633)	-	(624)	-	-	(624)
Loss before taxation	(5,943)	(5,265)	(17,759)	(28,967)	(4,789)	-	(33,756)
Taxation	-	-	-	-	(1,039)	-	(1,039)
Loss for the period	(5,943)	(5,265)	(17,759)	(28,967)	(5,828)	-	(34,795)

b) Geographical information

Revenue based on geographical location is as follows:

	Group	
	HY2026	HY2025
	RMB'000	RMB'000
PRC	**6,547**	17,296
Others	**67**	379
	6,614	17,675

Non-current assets information based on geographical location is as follows:

	Group	
	30 June 2026	31 December 2025
	RMB'000	RMB'000
Singapore[1]	**55,367**	60,612
PRC	**12,728**	6,052
	68,095	66,664

[1] included non-current assets of RMB49,917,000 (FY2025: RMB55,096,000), belonging to a subsidiary, whose operation is classified under the operating segment – manufacturing of high performance membrane.

c) Information about major customers

Revenue of RMB6.6 million is mainly derived from 1 PRC customer. During the period ended 30 June 2026, all revenue was attributable to the engineering and sludge treatment segment.

In the same corresponding period of last year, the revenue of RMB17.7 million was derived from 3 PRC customers. RMB1.7 million was attributable to the engineering segment and RMB15.6 million was attributable to the treatment services segment.

d) Disaggregation of revenue

Revenue by significant categories and timing of revenue recognition are as follows:

	HY2026	HY2025
The Group	**RMB'000**	RMB'000
Over time:		
Engineering revenue	**6,547**	1,685
Treatment revenue	**-**	15,611
At a point in time:		
Sale of equipment and parts	**67**	379
	6,614	17,675
Presented as:		
Continuing operations	**6,614**	2,064
Discontinued operations	**-**	15,611
	6,614	17,675

16. Loss before taxation

This includes the following charges (credits):

The Group	HY2026 RMB'000	HY2025 RMB'000
Government grant income	**(37)**	(172)
Share-based payment expenses	**-**	276
Reversal of impairment loss on financial assets and contract assets	**180**	-
Fair value loss from convertible bond	**-**	3,277
Interest income	**(172)**	(69)
Interest on lease liabilities	**38**	61
Interest on bank borrowings	**544**	548
Interest on restoration costs	**5**	6
Interest on convertible bonds	**2,528**	6,867
Depreciation of property, plant and equipment	**3,417**	4,299
Amortisation of intangible assets	**127**	127
Rental income from an associate	**(324)**	(330)
Foreign exchange gain - net	**(1,079)**	(2,059)
Directors' remunerations		
- Directors' fees	**585**	725
- Salaries and short-term benefits	**872**	1,028
- Contributions to defined contribution plans	**47**	59
- Stocks options granted	**-**	37
Key Management Personnel (other than Directors)		
- Salaries and short-term benefits	**1,385**	2,788
- Contributions to defined contribution plans	**153**	133
- Stocks options granted	**-**	75
Other employees (other than Directors and Key Management Personnel)		
- Salaries and short-term benefits	**2,033**	8,782
- Contributions to defined contribution plans	**337**	1,626
- Stocks options granted	**-**	164

The Group's Key Management Personnel mainly comprises Deputy Chief Executive Officer (Technical), Deputy Chief Executive Officer (Sales & Marketing) and Chief Financial Officer.

17. Taxation

Deferred tax

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable. Deferred tax liabilities relates to the timing difference for revenue recognised by the Group and the eventual invoicing of the contract assets when the Group's right to payment becomes unconditional.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

Income tax

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax charged (credited) to the condensed consolidated statement of profit or loss are as follow:

	Group	
	HY2026 RMB'000	HY2025 RMB'000
Current tax	**70**	-

18. Related party transactions

In relation to the related party information disclosed elsewhere in the financial statements, the following are significant transactions with related parties at mutually agreed amounts:

	Group	
	HY2026	HY2025
	RMB'000	RMB'000
Rental income from an associate	**(324)**	(330)
Manpower services received from a related party	**266**	-
Sale of membrane products to a related party*	**67**	374

** By virtue of NTi Memtech being a key subsidiary of the Group, any transactions between related party companies and NTi that have common shareholders, will be disclosed as related party transactions.*

19. Loss per share

The loss per share is calculated based on the consolidated loss attributable to ordinary shareholders of the Company divided by the weighted average number of shares in issue of shares during the financial year. The following table reflects the loss and share data used in the computation of loss per share for the 6-months period ended 30 June:

	Group	
	HY2026	HY2025
	RMB'000	RMB'000
Loss attributable to equity holders of the Company	**(10,541)**	(32,960)
Adjustments for:		
Interest expense on convertible bond ("**CB**")	**2,528**	6,867
Fair value loss (gain) on embedded derivatives on CB	**-**	3,277
Net loss used to determine diluted earnings per share	**(8,013)**	(22,816)
Number of shares		
Weighted average number of ordinary shares outstanding for purpose of calculation of basic loss per share	**1,534,878,360**	1,534,878,360
Adjustment for:		
Convertible bonds	**214,260,000**	214,260,000
Weighted average number of ordinary shares in issue for purpose of calculation of diluted loss per share	**1,749,138,360**	1,749,138,360
Loss per share (RMB cents)		
Loss per share		
- Basic	**(0.69)**	(2.15)
- Diluted	**(0.69)[#]**	(2.15)[#]

[#]: No change as the calculated amount is anti-dilutive.

For the purpose of calculating diluted earnings per share, consolidated loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible bonds and share options.

In HY2025 and HY2026, the Group's diluted loss per share has been presented to be equal to the basic loss per share if it has an anti-dilutive effect on the loss per share.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options are exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the average market value of the Company's shares) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options has been based on quoted market prices for the period during which the options are outstanding. No adjustment is made to the net profit.

For the periods ended 30 June 2026 and 2025, the computation of diluted loss per share does not assume the effect on the conversion of the Company's outstanding share options as it has an anti-dilutive effect on the earnings per share calculation.

20. Net Asset Value

	Group		Company	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025
Net asset value per ordinary share (RMB cents per share)	**(1.88)**	(1.07)	**5.37**	5.90

Net asset value of the Group and Company as at 30 June 2026 and 31 December 2025 is computed based on 1,534,878,360 ordinary shares in issue at the end of the financial period/year respectively.

21. Dividends

No interim dividend is paid during the six months ended 30 June 2026 and 30 June 2025. The Group needs to preserve its cash for working capital requirements.

22. Fair value measurement

Financial instruments - ***Accounting classifications of financial assets and financial liabilities.***

There are no financial assets and financial liabilities measured at fair value as at 30 June 2026 and 2025 except for the derivative liability component of the convertible bonds as disclosed in Note 9. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Group		Company	
	30 June 2026 RMB'000	31 December 2025 RMB'000	**30 June 2026 RMB'000**	31 December 2025 RMB'000
Financial assets				
At amortised cost:				
Trade and other receivables (excluding VAT and other tax receivables)	**16,254**	20,681	**14,135**	82,645
Cash and bank balances	**86,074**	94,986	**59,230**	8,401
	102,328	115,667	**73,365**	91,046
Financial liabilities				
At amortised cost:				
Convertible bonds – debt host liability	**107,471**	108,090	**107,471**	108,090
Trade and other payables (excluding VAT and other tax payables)	**63,486**	64,700	**897**	8,145
Bank borrowings	**20,164**	22,229	**-**	-
Lease liabilities	**1,476**	1,758	**350**	541
Other liabilities	**2,828**	2,653	**1,305**	1,230
	195,425	199,430	**110,023**	118,006

23. Commitments

	Group	
	30 June 2026 RMB'000	31 December 2025 RMB'000
Construction of sludge & membrane demonstration plant	**834**	-

24. Financial guarantees

	Group	
	30 June 2026 RMB'000	31 December 2025 RMB'000
Guarantee in respect of bank loan granted to a subsidiary to finance the membrane manufacturing plant	**17,164**	19,229

As at 30 June 2026 and 31 December 2025, the fair values of the financial guarantees determined based on the expected loss arising from the risk of default is negligible.

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Other Information required by Listing Rule Appendix 7.2

Audit

The statements of financial position as at 30 June 2026 and the related consolidated statement of profit or loss and comprehensive income, statements of changes in equity and consolidated statement of cash flows for the six months ended on 30 June 2026 and the selected explanatory notes ("the Condensed Interim Financial Statements") have not been audited or reviewed by the Company's auditors.

REVIEW OF GROUP PERFORMANCE

Consolidated Statement of Profit or Loss

	Group	
Revenue	**HY2026 RMB'000**	HY2025 RMB'000
Engineering revenue	**6,547**	1,685
Sales of equipment and parts	**67**	379
	6,614	2,064

The Group's revenue increased by RMB4.6 million in HY2026. The increase was mainly due to higher project activities in the engineering segment HY2026 as compared to HY2025.

Gross profit and gross profit margin

The increase in gross profit generated of RMB1.5 million in HY2025 was mainly due to higher revenue generated in HY2026 of RMB1.7 million as compared to RMB0.2 million in HY2025.

The gross profit margin increased, from 8.3% in HY2025 to 26.1% in HY2026, mainly due to higher margin generated from sale of sludge treatment equipment in HY2026 as compared to lower margins generated from technical services rendered in HY2025.

Other items of expense

(a) Finance income increased by RMB0.1 million, from RMB0.1 million in HY2025 to RMB0.2 million in HY2026, due to higher interest income from fixed deposits.

(b) Other income decreased by RMB1.1 million, from RMB2.6 million in HY2025 to RMB1.4 million in HY2026, mainly due to net unrealised foreign exchange gains arising from the appreciation of RMB against USD.

(c) There were no fair value changes in HY2026 as compared to a fair value gain on convertible bonds ("CB") of RMB3.3 million in HY2025.

(d) Share of results of associates recorded a loss of RMB0.7 million in HY2026 mainly due to negative contributions from the 2 associated companies.

(e) Finance cost decreased by RMB4.4 million, from RMB7.5 million in HY2025 to RMB3.1 million in HY2026, mainly due to lower convertible bond interest recognised following the special payment made to CB holders in FY2025 arising from the AIWater Group's disposal.

(f) Administrative expenses decreased by RMB8.5 million, from RMB19.7 million in HY2025 to RMB11.2 million in HY2026, mainly due to lower staff cost incurred following the disposal of AIWater Group and other cost cutting measures.

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REVIEW OF GROUP PERFORMANCE (cont'd)

Income tax expense

In HY2026, other than deferred tax assets recognised of RMB0.1 million, the Group did not record any income tax expenses as there was no chargeable income for the period.

Loss after taxation

In view of the foregoing, the Group reported a loss after taxation of RMB11.6 million in HY2026 as compared to RMB29.0 million recorded in HY2025.

Consolidated Statement of Financial Position

Total equity decreased by RMB12.4 million from a deficiency of RMB16.4 million in FY2025 to RMB28.8 million in HY2026, mainly due to total comprehensive loss of RMB11.6 million attributable to the owners of the Company during the period.

Total Group assets as at 30 June 2026 decreased by RMB16.1 million, from RMB195.8 million in FY2025 to RMB179.7 million in HY2026, due to:

(i) The increase in non-current assets of RMB1.4 million from RMB66.6 million in FY2025 to RMB68.1 million in HY2026, were mainly due to increase in investment in associate offset by routine depreciation and amortisation.

(ii) The decrease in currents assets of RMB17.5 million, from RMB129.1 million in FY2025 to RMB111.6 million in HY2026, was mainly decrease in contract assets, collections of trade receivables and lower bank balances used in the working capital requirements of the Group.

Total liabilities decreased by RMB3.5 million, from RMB206.7 million in FY2025 to RMB203.2 million in HY2026, mainly due to repayment of bank borrowings and revaluation differences of convertible bonds.

Key liquidity ratios (RMB'000):

Since FY2024, the Group reclassified its convertible bonds (Note 9) to current liabilities to conform to the application of the amendments to *SFRS(I) 1-1 Classification of liabilities as current or non-current* which was effective since 1st January 2024.

	Group	
	30 June 2026	31 December 2025
After CB reclassification (Note 9):		
Net current liabilities	**(76,209)**	(59,942)
Current ratio (Current assets/current liabilities)	**(0.59)**	(0.68)
Before CB reclassification (Note 9):		
Net current assets	**31,262**	48,148
Current ratio (Current assets/current liabilities)	**1.39**	1.59

Under the terms of the CB agreement, the two tranches of CB issued by the Group have an initial maturity date of 3 March 2026 and 31 July 2026 respectively. The Group has extended the maturity date of the CB for an additional period of 2 years of which the final maturity date will be 3 March 2028 and 31 July 2028 respectively. As at the date of this announcement, the Group foresees that the CB maturity due in 2028 will not affect the Group's liquidity for the next 12 months.

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VARIANCE FROM PROSPECT STATEMENT

Not applicable as no prospect statement is given.

PROSPECTS

The market condition remains challenging. Nevertheless, the Group announced the successful results of its sludge treatment demonstration project in Singapore, which achieved an 80% reduction in sludge mass and significant improvements in energy efficiency. This validation from PUB, Singapore's National Water Agency, marked an important milestone towards the commercialisation of its continuous thermal hydrolysis and pyrolysis technologies.

In the first half of 2026, the Group completed the supply of sludge treatment equipment for the Tangyin City project in Henan Province. The sludge treatment plant is pending commissioning and other preparatory works by the joint venture company, and is expected to be ready for operation thereafter.

For the Tongxu City project in Henan Province, the Group expects to proceed with the supply of sludge treatment equipment as the next key phase of the project. Barring unforeseen circumstances and subject to normal project implementation progress, the Tongxu treatment plant is expected to be substantially completed within the next twelve months.

The collaboration with Econ Technology Co. Ltd. ("Econ") remains a key pillar of the Group's asset-light strategy. Through the joint venture structure, the Group contributes its proprietary Continuous Thermal Hydrolysis ("CTH") technology, energy recovery system and engineering expertise, while Econ and consortium members undertake the construction and financing of the treatment facilities. This allows the Group to participate in sizeable municipal sludge treatment projects while managing capital expenditure and balance sheet exposure.

Moving forward, the Group will continue to work closely with Econ to execute the secured sludge treatment projects and explore further project opportunities where commercially viable. The Group will remain disciplined in evaluating new projects, with focus on execution capability, capital efficiency and alignment with its core environmental technology business.

The Group's membrane business remains an important complementary platform to its sludge treatment strategy. The membrane condenser project, which is financed by the Singapore government, is ongoing and currently at the procurement stage. The project is intended to enhance the performance and efficiency of the Group's CTH platform through further system integration and testing, and to support the longer-term commercial readiness of the Group's membrane-related technologies. While the project remains under development, it provides the Group with an opportunity to further validate the practical application of its membrane technology in support of its sludge treatment solutions.

Overall, while the Group remains mindful of the challenging market conditions and has taken steps to reduce operating cost in 1H2026. The progress made on the Tangyin project, together with the upcoming Tongxu and membrane condenser project, reflects the Group's continued transition from technology development towards project execution and delivery.

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USE OF PROCEEDS FROM THE AIWATER DISPOSAL

The use of the net proceeds from the AIWater Disposal is as follows:

	S$'000
Balance as at 1 January 2026	**15,260**
Advance to membrane business segment	(100)
Investment into joint venture company for operation of sludge treatment plant	(1,491)
Directors' fees, remunerations, salaries and related costs	(666)
Professional fees and compliance costs	(211)
Repayment of secured bank loan	(366)
Rental and utilities	(38)
AGM related costs and investor relations expenses	(42)
Other operating expenses	(50)
Balance as at 30 June 2026	**12,296**

USE OF PROCEEDS FROM THE CONVERTIBLE BONDS

In FY2025, the proceeds from the Convertible had been fully utilised.

The Company had engaged its external auditors, Forvis Mazars LLP, to perform an independent verification on the use and disbursement of the CB proceeds. The verification work was completed on 11 May 2026. Based on the auditors' findings, the use and disbursement of the CB proceeds were in line with the Company's announcements released on SGXNet on 7 February 2023, 13 February 2023 and 28 February 2023, respectively, and were properly supported and approved by the Board.

If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from its shareholders for IPTs.

Disclosure on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the SGX-ST Listing Manual

#	Company Name	Place of Incorporation /registration	Registered Capital ('000)	Paid-up Capital ('000)	Principal Activities	Effective interest held by the Group
1	United Greentech Chengdu Co., Ltd.	China	RMB 10,000	-	Operation of sludge treatment plant	51%

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CONFIRMATION OF UNDERTAKINGS FROM DIRECTORS AND EXECUTIVE OFFICERS

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

NEGATIVE ASSUARANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which render the unaudited interim financial results for the half year ended 30 June 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Mr Ngoo Lin Fong
Executive Chairman

Mr Lim Kuan Meng
Lead Independent Director

BY ORDER OF THE BOARD
Leader Environmental Technologies Limited

Mr Ngoo Lin Fong
Executive Chairman
11 August 2026