



凌雄科技集團有限公司
LX Technology Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2436

INTERIM REPORT

2025



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Hu Zuoxiong

Mr. Chen Xiuwei

Mr. Cao Weijun

Non-executive Director

Mr. Li Jing

Independent Non-executive Directors

Ms. Xu Nailing

Mr. Yao Zhengwang

Mr. Zou Shenghe

AUDIT COMMITTEE

Mr. Zou Shenghe (Chairman)

Ms. Xu Nailing

Mr. Yao Zhengwang

REMUNERATION COMMITTEE

Mr. Yao Zhengwang (Chairman)

Mr. Hu Zuoxiong

Ms. Xu Nailing

NOMINATION COMMITTEE

Mr. Hu Zuoxiong (Chairman)

Ms. Xu Nailing

Mr. Yao Zhengwang

JOINT COMPANY SECRETARIES

Mr. Liu Yan

Ms. Cheung Ka Lun Karen

AUTHORISED REPRESENTATIVES

Mr. Hu Zuoxiong

Mr. Liu Yan

ALTERNATE AUTHORISED REPRESENTATIVE

Ms. Cheung Ka Lun Karen

REGISTERED OFFICE

PO Box 309

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KY1-1104

Cayman Islands

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China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited

PO Box 1093, Boundary Hall

Cricket Square

Grand Cayman

KY1-1102

Cayman Islands



HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited

17/F
Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

ZHONGHUI ANDA CPA Limited

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Kowloon
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LEGAL ADVISOR

As to Hong Kong Laws

Sidley Austin

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8 Finance Street
Central
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PRINCIPAL BANKERS

Bank of China Limited

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No. 2022 Jianshe Road
Luohu District
Shenzhen
Guangdong
China

China Merchants Bank

Shenzhen Branch
China Merchants Bank Shenzhen
Branch Building
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Guangdong
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STOCK CODE

2436

WEBSITE

www.bearrental.com



Definitions

In this report, unless the context otherwise requires, the following expressions shall have the following meanings:

2024 Annual Report	the annual report of the Company for the year ended 31 December 2024
Articles or Articles of Association	the third amended and restated articles of association of the Company (as amended from time to time)
associate(s)	has the meaning ascribed thereto under the Listing Rules
Audit Committee	the audit committee of the Board
Bear Family	Bear Family Technology Limited, a company incorporated in the BVI with limited liability on 29 October 2021
Beauty Bear	Beauty Bear Technology Limited, a company incorporated in the BVI with limited liability on 29 October 2021
Beauty Bear Employee Incentive Plan	the employee incentive plan consisting of the Beauty Bear Share Option Scheme and the RSA Scheme adopted by our Company pursuant to a resolution of the Board passed on 1 April 2022 and 17 October 2022
Beauty Bear Share Option Scheme	the share option scheme under the Beauty Bear Employee Incentive Plan adopted by the Board pursuant to the written resolutions passed on 1 April 2022
Board or Board of Directors	the board of directors of the Company
Board Committees	collectively the Remuneration Committee, the Nomination Committee, and the Audit Committee, and the “Board Committee” means any of them
BVI	the British Virgin Islands
Capitalisation Issue	has the meaning ascribed to “Capitalization Issue” in the Prospectus
CG Code	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended from time to time
China or PRC	the People’s Republic of China
Company	LX Technology Group Limited 凌雄科技集團有限公司, a company incorporated in the Cayman Islands as an exempted company with limited liability on 10 January 2022 and the Shares of which are listed on the Main Board (stock code: 2436)
Controlling Shareholder(s)	has the meaning ascribed thereto under the Listing Rules
DaaS	Device-as-a-service



Definitions

Director(s)	director(s) of the Company
DLM	device lifecycle management, comprising a broad portfolio of solutions covering major stages of the full lifecycle of an IT device, aiming at improving enterprises' return on investment in devices and ensuring devices function at their expected quality and efficiency
EBITDA	earnings before interest, taxes, depreciation and amortisation
Employee Incentive Plans	collectively the Beauty Bear Employee Incentive Plan and the LX Brothers Employee Incentive Plan
Group, we, us or our	the Company and its subsidiaries
Hong Kong or HK	the Hong Kong Special Administrative Region of the PRC
Hong Kong dollars, HKD or HK\$	Hong Kong dollars, the lawful currency of Hong Kong
IFRS	International Financial Reporting Standard
Independent Third Party(ies)	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries and its connected persons and its ultimate beneficial owner(s) or their respective associates
IT	information technology
JD or JD.com	JD.com, Inc., a leading supply chain-based technology and service provider, the shares of which are listed on the Stock Exchange (stock code: 9618) and the American depositary shares of which are listed on NASDAQ (ticker symbol: JD)
Listing	the listing of the Shares on the Main Board
Listing Date	the date of the Listing, i.e. 24 November 2022
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
Little Bear	Little Bear Technology Limited, a company incorporated in the BVI with limited liability on 5 November 2021
LX Brothers	LX Brothers Technology Limited, a company incorporated in the BVI with limited liability on 29 October 2021
LX Brothers Employee Incentive Plan	the employee incentive plan adopted by our Company pursuant to the written resolutions of the Board passed on 23 March 2022
Main Board	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange



Definitions

Memorandum	the third amended and restated memorandum of association of the Company (as amended from time to time)
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
Mr. Hu	Mr. Hu Zuoxiong, our chairman, chief executive officer and executive Director
Mr. Hua	Mr. Hua Baocheng, a Shareholder and an employee of the Group
Nomination Committee	the nomination committee of the Board
Period or Reporting Period	the six months ended 30 June 2025
Prospectus	the prospectus of the Company dated 14 November 2022
Remuneration Committee	the remuneration committee of the Board
Renminbi or RMB	the lawful currency of the PRC
RSA Scheme	the restricted share award scheme under the Beauty Bear Employee Incentive Plan adopted by a resolution of the Board on 1 April 2022 and amended by a resolution of the Board on 17 October 2022
SaaS	Software-as-a-service
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
Shareholder(s)	holder(s) of the Share(s)
Share(s)	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company, which are traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
SME	a small-and medium-sized enterprise with a number of employees under 5,000
Stock Exchange	The Stock Exchange of Hong Kong Limited
substantial shareholder	has the meaning as ascribed thereto under the Listing Rules
Teeroy Trust	Teeroy Limited, the trustee holding the Shares on trust for the benefit of the participants of the Beauty Bear Employee Incentive Plan
Tricor Trust	Tricor Trust (Hong Kong) Limited, the trustee holding the Shares on trust for the benefit of the participants of the LX Brothers Employee Incentive Plan



Chairman's Statement

Dear Shareholders,

On behalf of the Board and the management team of the Group, I am pleased to present the interim results of the Group for the six months ended 30 June 2025. During the Period, the Group recorded adjusted net profit and adjusted EBITDA of approximately RMB18.6 million and approximately RMB194.1 million, respectively. The Group also recorded net profit of approximately RMB4.5 million during the Period, as compared with net loss of approximately RMB40.6 million in the corresponding period in 2024. The notable improvements were driven mainly by significant increase in revenue and effective cost optimisation measures.

The operating environment in the first half of 2025 remained characterised by macroeconomic uncertainties and continued market competition. Notwithstanding these challenges, the Group strengthened its industry position through disciplined execution and ongoing enhancements of our service offerings. The Group's core business segments, especially the device recycling business and device subscription services, made steady progress, supported by rising demand for sustainable and cost-efficient DLM solutions.

A key development during the Period was the Group's recognition in January 2025 as one of the second batch of national-level pilot enterprises for service industry standardisation. This distinction underscores the Group's commitment to raising service benchmarks and advancing industry practices, thereby reinforcing its competitive edge in the long term.

Looking ahead, the Company expects that the operating environment will remain competitive. The Group will continue to broaden its service coverage, strengthen customer relationships and pursue operational excellence. In parallel, the Group will explore opportunities for business collaboration to diversify revenue sources, while maintaining prudent financial and risk management. The Board believes these strategies will enable the Group to achieve sustainable growth and deliver long-term returns to shareholders.

On behalf of the Board, I would like to extend my appreciation to our employees for their dedication, and to our shareholders, customers and business partners for their continued trust and support.

Hu Zuoxiong

Chairman

LX Technology Group Limited

Shenzhen, the PRC, 26 August 2025



Management Discussion and Analysis

BUSINESS REVIEW

Overview

We are a leading device lifecycle management solution provider in China. We are committed to delivering high-quality device recycling, device subscription and IT technical subscription services to our customers.

The Group achieved strong development in the first half of 2025, reporting net profit of approximately RMB4.9 million for the Period, as compared with net loss of approximately RMB40.6 million in the corresponding period in 2024. The Group also recorded adjusted profit of approximately RMB18.6 million for the Period, as compared to adjusted loss of approximately RMB22.3 million for the corresponding period in 2024. The turnaround was driven by the Group's continued expansion of its service offerings, the implementation of refined expenses management measures and process optimisation across all business segments, as well as improvements in operational efficiency through digitalisation.

On the other hand, we continued to gain industry recognition and policy support, reflecting the strategic value of our integrated circular business model:

1. In January 2025, the Group was selected as one of the second batch of National Service Standardisation Pilot Enterprises (Trade Circulation category) (第二批國家級服務業標準化試點(商貿流通專項)企業). This selection affirms our leadership in setting industry benchmarks for standardised, high-quality DLM solutions.
2. In April 2025, we were named among the first batch of National Pilot Enterprises for Second-hand Goods Circulation (國家首批二手商品流通試點企業), a major policy initiative supporting the second hand products circulation in order to promote resources conservation and environmental protection. This further strengthens our role in demonstrating the national agenda on sustainability and reuse of IT devices.
3. In July 2025, we were recognised as one of the Shenzhen Gazelle Enterprises (深圳市瞪羚企業), highlighting our strong innovation capability, rapid growth trajectory and high potential in the industry.

Looking ahead, the Group will continue to expand our service network and deepen customer engagement to support sustainable growth and deliver long-term value for stakeholders.

Our Business Model

Our DLM solutions directly tackle the weaknesses of enterprises' management of devices. With the aim to transform enterprises' management of devices through services covering major phases of IT device lifecycle, our revenue from DLM solutions during the Period was primarily generated from the following service categories:

- *Device recycling business.* We purchase de-commissioned IT devices from enterprises for use in our device subscription services after refurbishment or sale through our proprietary quotation platform. We typically target large-scale enterprises as upstream suppliers of de-commissioned IT devices. The device recycling business provides us with a stable source of de-commissioned devices.
- *Device subscription services.* Our device subscription services primarily include selecting IT devices (including brand-new devices and de-commissioned devices after refurbishment) suitable for users, assembling devices, pre-installing device configurations and customising system settings. We offer tailor-made short-term and long-term device subscription services to satisfy our customers' needs for diverse business scenarios.



Management Discussion and Analysis

- *IT technical subscription services.* We offer IT technical subscription services primarily coupled with device subscription services and, to a lesser extent, on a standalone basis, primarily including solving problems in IT devices and keeping devices on the cutting edge of technology through system upgrades. We typically target small and medium enterprises for our subscription services.

Device recycling business

For the Period, the Group's revenue from device recycling business amounted to approximately RMB848.1 million, representing a significant increase of approximately 24.4% as compared to approximately RMB681.9 million for the same period in 2024.

The following table sets forth certain of our key operating data for the periods indicated:

	Six months ended 30 June		
	2025	2024	Growth Rate
Number of devices sold (device)	424,710	449,029	-5.4%
Number of device recycling customers	1,570	1,309	19.9%
Average revenue per device recycling customer (RMB)	540,206	520,896	3.7%
Average sales value (RMB/device)	1,513.5	1,472.3	2.8%

Device subscription business

For the Period, the Group's revenue from device subscription business amounted to approximately RMB191.9 million, representing an increase of approximately 4.5% as compared to approximately RMB183.7 million for the same period in 2024.

The following table sets forth our revenue generated from subscription services with, and total device subscription volume from brand-new devices and second-hand devices, respectively, for the periods indicated:

	Six months ended 30 June		
	2025	2024	Growth Rate
Revenue from device subscription services (RMB'000)	191,914	183,730	4.5%
— Brand-new devices	154,945	151,551	2.2%
— Second-hand devices	36,969	32,179	14.9%
Total device subscription volume (device)	3,475,364	3,112,036	11.7%
— Brand-new devices	2,803,650	2,505,320	11.9%
— Second-hand devices	671,714	606,716	10.7%
Total number of devices available for subscription	624,210	610,557	2.2%

IT technical subscription services

For the Period, the Group's revenue from IT technical subscription services amounted to approximately RMB76.6 million, representing a slight decrease of approximately 0.5% as compared to approximately RMB77.0 million for the same period in 2024.



Management Discussion and Analysis

The following table sets forth our revenue generated from the long-term and short-term IT technical subscription services, respectively, for the periods indicated:

	Six months ended 30 June		
	2025 (RMB'000)	2024 (RMB'000)	Growth Rate
Revenue from IT technical subscription services	76,633	77,015	-0.5%
— Long-term subscriptions	59,608	58,685	1.6%
— Short-term subscriptions	17,025	18,330	-7.1%

Future Outlook

Looking ahead to the second half of 2025 and beyond, the Group remains confident in our strategic direction and long-term growth prospects. With national policies increasingly supporting the development of circular economy, green consumption and standardised industry practises, the DLM industry is entering a period of structural expansion and transformation.

The Group will continue to strengthen its position as an integrated platform serving the full lifecycle of IT devices — from recycling and refurbishment to subscription-based usage and technical support. In particular, we will focus on the following strategic priorities:

Service Network Expansion: Further scaling our presence across key regional markets to enhance coverage and service efficiency.

Digital and Operational Excellence: Accelerating the deployment of data-driven tools and automation technologies to support high-quality, standardised service delivery.

Policy Alignment and Pilot Initiatives: Actively participating in national pilot programs to shape industry standards and capture early-mover advantages.

Sustainability Leadership: Deepening our environmentally friendly practices, promoting responsible IT device reuse, and helping corporate customers meet their environmental targets and minimising capital contributions towards IT devices.

Supported by our strong fundamentals, innovation-driven corporate culture and growing brand recognition, the Group is well-positioned to capture emerging opportunities and deliver sustainable value to our stakeholders.



Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue comes from three service lines: (i) device recycling income; (ii) device subscription services; and (iii) IT technical subscription services. The following table sets out the breakdown of revenue by service lines during the indicated periods:

	Six months ended 30 June				
	2025		2024		Growth Rate
	RMB'000	%	RMB'000	%	%
Revenue					
Device recycling income	848,124	76.0	681,853	72.3	24.4
Device subscription services	191,914	17.2	183,730	19.5	4.5
— Long-term device subscription	168,450	15.1	159,900	17.0	5.3
— Short-term device subscription	23,464	2.1	23,830	2.5	-1.5
IT technical subscription services	76,633	6.8	77,015	8.2	-0.5
Total	1,116,671	100	942,598	100	18.5

For the Period, the total revenue of the Group was approximately RMB1,116.7 million (30 June 2024: approximately RMB942.6 million), representing an increase of approximately 18.5% as compared with the same period in 2024, mainly attributable to the increase of sales in both of our device recycling business segment and device subscription services segment.

Device recycling income

The increase in the device recycling income during the Period as compared with the same period in 2024 was mainly due to the increase in number of device recycling customers from 1,309 for the six months ended 30 June 2024 to 1,570 for the Period and the increase in the average revenue contributed by them from approximately RMB520,896 for the six months ended 30 June 2024 to approximately RMB540,206 for the Period, mainly contributed by the increase in the proportion of laptop computers and other IT devices sold which have higher unit prices.

The following table sets forth a breakdown of our revenue of the device recycling business by major types of IT devices during the periods indicated:

	Six months ended 30 June				
	2025		2024		Growth Rate
	RMB'000	%	RMB'000	%	%
Tablet computers and mobile phones	413,813	48.8	470,348	69.0	-12.0
Laptop computers and other IT devices	434,311	51.2	211,505	31.0	105.3
Total	848,124	100	681,853	100	24.4



Management Discussion and Analysis

Revenue from device subscription services

The increase in revenue from device subscription services during the Period as compared with the same period in 2024 was mainly due to the increase in total device subscription volume from 3,112,036 for the six months ended 30 June 2024 to 3,475,364 for the Period.

Revenue from IT technical subscription services

The slight decrease in revenue from IT technical subscription services during the Period as compared with the same period in 2024 was primarily attributable to a slight recession on the business opportunities sought in the IT technical subscription services segment.

Revenue by geographical locations

The following table sets forth a breakdown of our revenue by geographical location in absolute amounts and as a percentage of our revenue during the periods indicated:

	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Shenzhen	893,391	80.0	781,815	82.9
Shanghai	95,070	8.5	54,335	5.8
Wuhan	20,498	1.8	20,149	2.1
Beijing	52,570	4.7	45,115	4.8
Guangzhou	22,068	2.0	22,154	2.4
Others ⁽¹⁾	33,074	3.0	19,030	2.0
Total	1,116,671	100.0	942,598	100.0

Note:

(1) Others mainly include Chengdu, Xiamen, Nanjing, Zaozhuang, Jingmen and Hong Kong.

Cost of Sales

Our cost of sales consists primarily of (i) costs of inventories sold; (ii) depreciation and amortisation, which primarily include depreciation of equipment for subscription; (iii) staff costs, representing salaries and welfare for our business operation personnel; and (iv) others, mainly representing costs related to short-term device subscription services such as rentals for venue and wages for temporary staff. Our cost of sales was approximately RMB1,014.8 million for the Period (30 June 2024: approximately RMB849.7 million). The increase in cost of sales during the Period as compared to the same period in 2024 was in line with the increase in our revenue and was mainly attributable to the increase in cost of inventory sold from approximately RMB662.0 million for the six months ended 30 June 2024 to approximately RMB818.6 million for the Period.

Management Discussion and Analysis

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by service line for the periods indicated:

	Six months ended 30 June			
	2025	Gross profit	2024	Gross profit
	Gross profit	margin	Gross profit	margin
	RMB'000	%	RMB'000	%
Device recycling income	4,396	0.5	7,677	1.1
Device subscription services	51,670	26.9	39,746	21.6
IT technical subscription services	45,798	59.8	45,457	59.0
Total	101,894	9.1	92,880	9.9

Our gross profit represents our revenue less our cost of sales. For the Period, our gross profit was approximately RMB101.9 million, representing a substantial increase of approximately 9.7% as compared with approximately RMB92.9 million for the same period in 2024 as we put extra effort in promoting our DLM solutions. The gross profit margin of the Group slightly decreased from approximately 9.9% for the six months ended 30 June 2024 to approximately 9.1% for the Period.

Device recycling business

We recorded gross profit of approximately RMB4.4 million for the Period as compared with approximately RMB7.7 million for the corresponding period in 2024 in our device recycling business. Our gross profit margin of device recycling business was approximately 0.5% for the Period as compared to approximately 1.1% for the six months ended 30 June 2024, primarily attributable to the increase in cost of goods sold which outpaced the increase in revenue of the device recycling business.

Device subscription services

The gross profit of device subscription services increased from approximately RMB39.7 million for the six months ended 30 June 2024 to approximately RMB51.7 million for the Period, primarily attributable to the increase in revenue of our device subscription services as discussed above which outpaced the increase in our cost of services in the device subscription services. Our gross profit margin of device subscription services increase from approximately 21.6% for the six months ended 30 June 2024 to approximately 26.9% for the Period. The average monthly utilisation rates of our major types of devices for subscription increased from approximately 86.5% for the six months ended 30 June 2024 to approximately 88.8% for the Period.

IT technical subscription services

The gross profit of IT device subscription services slightly increased from approximately RMB45.5 million for the six months ended 30 June 2024 to approximately RMB45.8 million for the Period. Our gross profit margin of IT technical subscription services increased from approximately 59.0% for the six months ended 30 June 2024 to approximately 59.8% for the Period, primarily attributable to the decrease in cost of services driven by the Group's efficiency optimisation initiatives.



Management Discussion and Analysis

Other Income

Other income decreased by approximately 3.9% from approximately RMB13.6 million for the six months ended 30 June 2024 to approximately RMB13.1 million for the Period as we received less compensation income from customers in respect of impaired devices during the Period.

Distribution and selling expenses

The distribution and selling expenses decreased by approximately 19.6% from approximately RMB77.3 million for the six months ended 30 June 2024 to approximately RMB62.1 million for the Period, owing to the decrease in salary expenses after the implementation of refined expenses management measures and the decrease in promotional expenses led by the shift from engaging external marketing experts to leveraging internal sales and marketing team. Our distribution and selling expenses as a percentage of revenue decreased from approximately 8.2% for the six months ended 30 June 2024 to approximately 5.6% for the Period.

Administrative Expenses

The administrative expenses decreased by approximately 9.7% from approximately RMB47.1 million for the six months ended 30 June 2024 to approximately RMB42.5 million for the Period, primarily due to the decrease in share-based payment by approximately RMB6.1 million. Our administrative expenses as a percentage of revenue decreased from approximately 5.0% for the six months ended 30 June 2024 to approximately 3.8% for the Period.

Research and Development Expenses

The research and development expenses decreased by approximately 38.0% from approximately RMB14.5 million for the six months ended 30 June 2024 to approximately RMB9.0 million for the Period, primarily due to the successful delivery of certain research and development projects, leading to a reduction in related costs, and the decrease in staff-related expenses driven by organisational streamlining and productivity enhancements. Our research and development expenses as a percentage of revenue decreased from approximately 1.5% for the six months ended 30 June 2024 to approximately 0.8% for the Period.

Finance Costs

The finance costs increased by approximately 5.9% from approximately RMB23.6 million for the six months ended 30 June 2024 to approximately RMB25.0 million for the Period, as we secured more borrowings for the Period for working capital due to the business expansion of the Group.

Income Tax Credit

For the Period, we recorded income tax credit of approximately RMB0.8 million as compared to income tax credit of approximately RMB3.5 million for the six months ended 30 June 2024.

Management Discussion and Analysis

Profit/(Loss) and Total Comprehensive Income/(Expense) Attributable to the Owners of the Company for the Period

We recorded profit and total comprehensive income attributable to the owners of the Company of approximately RMB5.7 million for the Period as compared to loss and total comprehensive expense of approximately RMB39.8 million for the six months ended 30 June 2024, primarily due to the increase in revenue and gross profit and the reduction in operating expense as discussed above.

Adjusted Profit/(Loss)

The adjusted profit (a non-IFRS measure) for the Period was approximately RMB18.6 million as compared to the adjusted loss of approximately RMB22.3 million for the six months ended 30 June 2024.

Adjusted EBITDA

The adjusted EBITDA (a non-IFRS measure) for the Period increased by approximately 38.5% from approximately RMB140.2 million for the six months ended 30 June 2024 to approximately RMB194.1 million for the Period.

Non-IFRS Measures

To supplement our consolidated financial statements which are presented in accordance with IFRSs, we also use adjusted profit and adjusted EBITDA (non-IFRS measures) as additional financial measures, which are not required by, or presented in accordance with, IFRSs. We believe that such measures provide useful information to the Shareholders, potential investors of the Company and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management to evaluate our operating performance and formulate business plans. However, our adjusted profit and adjusted EBITDA (non-IFRS measures) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures have limitations as an analytical tool, and you should not consider it in isolation, or as substitute for analysis of, our results of operations or financial position as reported under IFRSs.

We define adjusted profit as profit plus share-based payment expenses, and foreign exchange changes. We define adjusted EBITDA as profit plus finance costs, interest income, income tax credit/(expenses), depreciation of property, plant and equipment and right-of-use of assets, amortisation of intangible assets, share-based payment expenses and foreign exchange changes.



Management Discussion and Analysis

A reconciliation of these non-IFRS financial measures to the nearest IFRS performance measures is provided below:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Reconciliation of profit/(loss) for the period and adjusted profit/(loss) (a non-IFRS measure)		
Profit/(loss) for the period	4,908	(40,583)
Non-IFRS measure:		
Adjusted profit/(loss)		
Add:		
Share-based payments expenses	9,585	18,332
Foreign exchange loss/(gain)	4,152	(53)
Non-IFRS measure:		
Adjusted profit/(loss)	18,645	(22,304)
Reconciliation of profit/(loss) for the period and adjusted EBITDA (a non-IFRS measure)		
Profit/(loss) for the period	4,908	(40,583)
Add:		
Income tax credit	(823)	(3,539)
Finance costs	25,000	23,613
Interest income	(1,014)	(333)
Depreciation of property, plant and equipment and right-of-use assets	147,752	138,389
Amortisation of intangible assets	4,569	4,333
Non-IFRS measure:		
EBITDA	180,392	121,880
Add:		
Share-based payment expenses	9,585	18,332
Foreign exchange loss/(gain)	4,152	(53)
Non-IFRS measure:		
Adjusted EBITDA	194,129	140,159

Current Assets

As at 30 June 2025, the current assets of the Group were approximately RMB962.7 million, representing an increase of approximately 7.8% as compared with approximately RMB893.4 million as at 31 December 2024. As at 30 June 2025, the current ratio (current assets divided by current liabilities) of the Group was approximately 1.3 times (31 December 2024: approximately 1.2 times).



Management Discussion and Analysis

Property, Plant and Equipment and Right-of-Use Assets

Our property, plant and equipment and right-of-use assets of the Group primarily consist of leased properties, equipment for subscription, office equipment, motor vehicles and lease improvement. The property, plant and equipment and right-of-use assets decreased from approximately RMB743.5 million as at 31 December 2024 to approximately RMB719.8 million as at 30 June 2025, as we purchased less property, plant and equipment during the Period as compared to the corresponding period in 2024.

Inventories

Our inventories primarily consist of (i) de-commissioned IT devices such as laptops, monitors, tablet computers acquired via and held for sale under our device recycling business; and (ii) device components and accessories. The inventories increased from approximately RMB102.8 million as at 31 December 2024 to approximately RMB135.0 million as at 30 June 2025, mainly due to the increase in demand in disposal of decommissioned IT devices from upstream suppliers close to the end of the Period.

Trade and Lease Receivables

Our trade and lease receivables represent receivables from customers for (i) operating lease relating to device subscription services; and (ii) contracts with customers relating to device recycling business and IT technical subscription services. The trade and lease receivables decreased from approximately RMB255.6 million as at 31 December 2024 to approximately RMB132.0 million as at 30 June 2025, mainly due to the reduction in credit extended to our customers and we have enhanced our risk management processes.

Other Receivables, Deposits and Prepayments

Our other receivables, deposits and prepayments decreased from approximately RMB132.9 million as at 31 December 2024 to approximately RMB115.1 million as at 30 June 2025, primarily due to the decrease in advances to suppliers and value-added tax receivables as at 30 June 2025.

Trade Payables

Trade payables represent procurements payable to suppliers for the purchase of IT devices. As at 30 June 2025, trade payables amounted to approximately RMB92.0 million, representing a decrease of approximately RMB15.4 million as compared with approximately RMB107.4 million as at 31 December 2024, as we settled our trade payables in a timely manner.

Other Payables and Accruals

Other payables primarily consist of (i) accrued staff costs and retirement benefit scheme contributions; (ii) advance from leasing customers under device subscription services; (iii) other tax payables; (iv) secured and other deposits received; (v) accrued expenses; and (vi) others.

As at 30 June 2025, other payables and accruals amounted to approximately RMB74.2 million, representing an increase of approximately RMB6.5 million as compared with approximately RMB67.7 million as at 31 December 2024 as we have increased accrued expenses as at 30 June 2025.



Management Discussion and Analysis

LIQUIDITY AND CAPITAL RESOURCES

During the Period, our cash requirements are principally funded by cash generated from operations and other debt financings.

Bank Balances and Cash

Our bank balance and cash consist of our bank balances and cash and restricted deposits. Our bank balance and cash amounted to approximately RMB386.2 million as at 30 June 2025 (31 December 2024: approximately RMB295.9 million). The increase in bank balance and cash were mainly attributable to the increase in cash generated from our business operations. As at 30 June 2025, the Group's cash and cash equivalents were denominated in Renminbi, Hong Kong dollars and United States dollars.

Bank and Other Borrowings

As at 30 June 2025, we had bank borrowings with a carrying amount of approximately RMB550.3 million (as at 31 December 2024: approximately RMB531.2 million) and other borrowings of approximately RMB302.0 million (as at 31 December 2024: approximately RMB278.0 million), such borrowings comprise (i) approximately RMB838.4 million (as at 31 December 2024: approximately RMB770.6 million) of unsecured and guaranteed bank and other borrowings; and (ii) approximately RMB13.9 million (as at 31 December 2024: approximately RMB38.6 million) of secured and guaranteed bank and other borrowings.

All of our bank and other borrowings were subject to fixed interest rate. For the Period, the effective interest rates of the Group's borrowings ranged from 3.5% to 7.7% per annum (as at 31 December 2024: 3.2% to 9.4% per annum). Our borrowings were all denominated in Renminbi and carried borrowing terms ranging from one year to three years.

Charges of Assets

As at 30 June 2025, certain Group's borrowings are secured by IT devices with net book value of approximately RMB19.2 million (31 December 2024: RMB60.9 million).

Gearing Ratio

The calculation of gearing ratio is based on total debt for the Period divided by total equity for the respective year and multiplied by 100.0%. The gearing ratio as at 30 June 2025 was 113.1% (as at 31 December 2024: 113.0%).

Significant Investments Held, Material Acquisitions and Disposals

The Group had no significant investments, acquisitions and disposals of subsidiaries, associates or joint ventures during the Period.

Future Plans for Material Investments and Capital Assets

Except for the plans disclosed in this report, the Group has no future plan for material investments or capital assets during the Period. However, the Group will continue to identify new opportunities for business development.

Contingent Liabilities and Commitments

We did not have any material contingent liabilities as at 30 June 2025.



Management Discussion and Analysis

Foreign Exchange Risk

The Group conducts its business with most of the transactions settled in Renminbi, while a smaller portion is settled in Hong Kong dollars and US dollars. The Group will continue to keep track of the foreign exchange risk and take prudent measures and actions to mitigate exchange risk where necessary. The Group currently has not adopted any foreign currency hedging policies.

Employees and Remuneration Policy

As at 30 June 2025, the Group had 942 full-time employees (as at 31 December 2024: 970 full-time employees). We recognise the importance of talents for sustainable business growth and competitive advantages. As part of our human resources strategy, we offer employees competitive salaries, performance-based bonuses, and other incentives. For the Period, the remuneration for our employees, but excluding the Directors' remunerations, were approximately RMB86.6 million (for the six months ended 30 June 2024: approximately RMB93.8 million).

We provide on-board training for all of our employees as well as periodic training or seminars to ensure their self-development. We also strive to create a multiple-incentive mechanism and a friendly working environment to realise our employees' full potential.

In recognition of the contributions of our employees and to incentivise them to further promote our development, the Group also adopted LX Brothers Employee Incentive Plan and Beauty Bear Employee Incentive Plan. For details, please refer to section headed "D. Employee Incentive Plans" in Appendix IV to the Prospectus.

EVENTS AFTER THE REPORTING PERIOD

No event has taken place subsequent to 30 June 2025 and up to the date of this report that may have a material impact on the Group's operating and financial performance that needs to be disclosed.



Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

The Company aims to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of the Shareholders. The Group has adopted the code provisions in the CG Code as its own code of corporate governance.

Save for the deviation for reasons set out below, the Group has applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the CG Code during the Reporting Period.

Pursuant to code provision C.2.1 of Part 2 of the CG Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, we do not have a separate chairman and chief executive officer and Mr. Hu is performing these two roles. Mr. Hu is responsible for the overall management, operation and strategic development of our Group and has been instrumental to our growth and business operation since establishment of the Group in November 2004. Taking into account the continuation of management and the implementation of our business strategies, the Directors (including the independent non-executive Directors) consider it is most suitable for Mr. Hu to hold both the positions of chief executive officer and the chairman of the Board and the existing arrangements are beneficial to the management of our Group and are in the interests of our Company and the Shareholders as a whole. The balance of power and authority is ensured by the operation of the senior management and our Board, both of which comprises experienced and high-calibre individuals. The Board comprises three executive Directors (including Mr. Hu), one non-executive Director and three independent non-executive Directors, and therefore has a strong independence element in its composition. The Board will regularly review the effectiveness of this structure to ensure that it is appropriate to the Group's circumstances.

The Company will continue to review and enhance its corporate governance practises, and identify and formalise appropriate measures and policies, to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a combined code (the "**Code**") of conduct for securities transactions by the Directors which comprises a comprehensive "Code of Conduct for Securities Transactions by Directors" and the Model Code. Having made specific enquiries to all the Directors, all the Directors confirmed that they have strictly complied with the required standards set out in the Code during the Reporting Period.

The Board has also adopted the Model Code to regulate all dealings by relevant employees, including any employee or a director or employee of a subsidiary or holding company, who, because of his/her office or employment, are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in the applicable code provision D.2.4(e) of Part 2 of the CG Code. No incident of non-compliance with the Model Code by the Company's relevant employees has been noted during the Reporting Period after making reasonable enquiry.

Corporate Governance and Other Information

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025 (30 June 2024: nil).

There is no arrangement under which a Shareholder has waived or agreed to waive any dividend.

EMPLOYEE INCENTIVE PLANS

1. LX Brothers Employee Incentive Plan

On 23 March 2022, the Company adopted the LX Brothers Employee Incentive Plan.

In recognition of the contributions made by the employees of our Group towards our growth and success, on 1 April 2022, a total of 102 eligible participants were offered options to subscribe for an aggregate of 6,622,445 Shares (adjusted to 17,880,602 shares upon the Capitalisation Issue), representing approximately 5.06% of the issued Shares as at the date of this report, at an exercise price of HK\$0.01 per Share. Such exercise price was determined based on the nominal value of the Share. As the Shares were not listed yet at the date of grant, the Shares had no closing price on the date immediately before the options were granted. No additional Shares will be issued in respect of the options granted and no options are available for further grant under the LX Brothers Employee Incentive Plan. The exercise period of the options under the LX Brothers Employee Incentive Plan shall be determined by the committee of the Board, provided that the exercise period shall not be more than ten years from the date of grant.

Details of these participants and movements of the options granted during the Reporting Period are as follows:

Categories of Grantee	Date of grant	Outstanding balance as at 1 January 2025	Exercised during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding balance as at 30 June 2025
Directors							
1. Mr. Hu	1 April 2022	2,868,968 ⁽¹⁾	—	717,242 ⁽²⁾	—	—	2,868,968
2. Mr. Chen Xiuwei	1 April 2022	1,350,754 ⁽²⁾	—	—	—	—	1,350,754
Employee participants							
Other Employees	1 April 2022	13,563,963 ⁽²⁾	—	2,401,479 ⁽²⁾	—	—	13,563,963
Total		17,783,685	—	3,118,721	—	—	17,783,685

Notes:

- (1) Subject to the vesting conditions stated in note (4) being met, 25% of the options shall vest on each of the first, second, third and fourth anniversary of the date of grant.
- (2) Subject to the vesting conditions in note (4) being met, 50% of the options shall vest on each of the first and second anniversary of the date of grant.



Corporate Governance and Other Information

- (3) Subject to the vesting conditions stated in note (4) being met, out of these 13,563,963 options granted, (i) for 1,296,000 options, 75% of the options shall vest on the first anniversary of the date of grant and the remaining 25% of the options shall vest on the second anniversary of the date of grant; (ii) for 2,625,376 options, 50% of the options shall vest on each of the first and second anniversary of the date of grant; and (iii) for 9,642,587 options, 25% of the options shall vest on each of the first, second, third and fourth anniversary of the date of grant.
- (4) The Company will undergo a comprehensive assessment on the performance of the grantees on an annual basis, where the grantee is ranked level S or A, all of the options of the current anniversary will be vested; where the grantee is ranked level B, only 50% of the options of the current anniversary will be vested; where the grantee is ranked any level below level B, no options of the current anniversary will be vested.
- (5) Save as disclosed above, the options are not subject to any other exercising conditions or performance targets.
- (6) The weighted average closing price of the Shares immediately before the dates on which the options were vested was HK\$2.32.

In relation to the estimated fair value of the options at the date of grant and the accounting standard and policy adopted, please refer to note 39 to the consolidated financial statements in the 2024 Annual Report.

2. Beauty Bear Employee Incentive Plan

On 1 April 2022, the Company adopted the Beauty Bear Employee Incentive Plan. The Beauty Bear Employee Incentive Plan consists of a share option scheme (i.e. the Beauty Bear Share Option Scheme) and a restricted share award scheme (i.e. the RSA Scheme). 30,000,000 Shares in aggregate, representing approximately 8.49% of the issued Shares as at the date of this report, was allotted and issued to Beauty Bear, which is wholly-owned by Teeroy Trust.

2.1 Beauty Bear Share Option Scheme

The number of Shares in respect of which options are available for grant under the Beauty Bear Share Option Scheme as at 1 January 2025 and 30 June 2025 was 35,325,900. From the adoption date of the Beauty Bear Share Option Scheme and up to 30 June 2025, no option has been granted or agreed to be granted under the Beauty Bear Share Option Scheme.

Corporate Governance and Other Information

2.2 The RSA Scheme

The Group has granted Awards on 1 April 2022, 12 January 2024 and 15 November 2024, respectively, at vesting price of HK\$0.01 per Share under the RSA Scheme. Such vesting price was determined based on the nominal value of the Share. The exercise period of the Awards shall be 10 years from the date of grant. Details of the participant and movements of the Awards granted during the Year are as follows:

Categories of Grantee	Date of grant	Outstanding	Granted	Purchased	Vested	Cancelled	Lapsed	Outstanding
		balance as at						balance as at
		1 January 2025						30 June 2025
1. Directors								
Mr. Chen Xiuwei	12 January 2024	10,500 ⁽¹⁾⁽⁵⁾⁽⁶⁾	—	—	10,500 ⁽¹⁾	—	—	10,500
Mr. Cao Weijun	12 January 2024	19,500 ⁽¹⁾⁽⁵⁾⁽⁶⁾	—	—	19,500 ⁽¹⁾	—	—	19,500
2. Employee participants								
Mr. Hua	1 April 2022	3,000,000 ⁽²⁾⁽⁴⁾⁽⁷⁾	—	—	1,500,000 ⁽¹⁾	—	—	3,000,000
Employees other than above disclosed	12 January 2024	3,166,089 ⁽¹⁾⁽⁵⁾⁽⁶⁾	—	—	1,714,072 ⁽¹⁾	—	—	3,166,089
	15 November 2024	886,387 ⁽³⁾⁽⁵⁾⁽⁶⁾	—	—	—	—	—	886,387
Total		7,082,476	—	—	3,244,072	—	—	7,082,476

Notes:

- (1) The closing price on the date immediately before the Awards were granted (i.e. 11 January 2024) was HK\$7.45.
- (2) As the Shares were not listed yet at the date of grant, the Shares had no closing price on the date immediately before the Awards were granted.
- (3) The closing price on the date immediately before the Awards were granted (i.e. 14 November 2024) was HK\$3.60 per Share.
- (4) The Company will undergo a comprehensive assessment on the performance of the grantee on an annual basis, where the grantee is ranked level S or A, all of the Awards of the current anniversary will be vested; where the grantee is ranked level B, only 50% of the Awards of the current anniversary will be vested; where the grantee is ranked any level below level B, no Awards of the current anniversary will be vested. Subject to the aforesaid vesting conditions being met, the Awards shall vest on each of the first, second, third and fourth anniversary of the date of grant.
- (5) The Company will undergo a comprehensive assessment on the performance of the grantee on an annual basis, where the grantee is ranked level S, A or B, all of the Awards of the current anniversary will be vested; where the grantee is ranked level C, only 50% of the Awards of the current anniversary will be vested; where the grantee is ranked any other levels, no Awards of the current anniversary will be vested.
- (6) Subject to the vesting conditions being met, the Awards shall vest on the first anniversary of the date of grant.
- (7) Subject to the vesting conditions being met, the Awards shall be vested in four equal tranches on each of the first, second, third and fourth anniversary of the date of grant.
- (8) Subject to the vesting conditions being met, out of these 3,166,089 Awards granted, (i) 663,400 Awards shall be vested on the first anniversary of the date of grant; (ii) 1,220,000 Awards shall be vested in two equal tranches on each of the first and second anniversary of the date of grant; (iii) 480,000 Awards shall be vested in three tranches (50%, 25% and 25%) on each of the first, second and third anniversary of the date of grant; and (iv) the remaining 802,689 Awards shall be vested in four equal tranches on each of the first, second, third and fourth anniversary of the date of grant.
- (9) Save as disclosed above, all Awards granted are not subject to any other performance targets.
- (10) The weighted average closing price of the Shares immediately before the dates on which the awards were vested was HK\$3.02.



Corporate Governance and Other Information

In relation to the estimated fair value of the awards at the date of grant and the accounting standard and policy adopted, please refer to note 39 to the consolidated financial statements in the 2024 Annual Report.

All the awarded Shares underlying the awards granted, upon vesting and purchase by the awardees, will be satisfied by the existing Shares held by Beauty Bear on trust for the benefit of the participants of the Beauty Bear Employee Incentive Plan and accordingly, no new Shares will be issued.

The number of Shares in respect of which Awards are available for grant under the RSA Scheme as at 1 January 2025 and as at 30 June 2025 were both 25,243,424.

As at 30 June 2025, no options and awards were granted during the Reporting Period under all Employee Incentive Plans and therefore the disclosure requirement under Rule 17.07(3) is not applicable.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As at 30 June 2025, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interest in Shares or underlying Shares of the Company

Name of Director	Nature of Interest	Number of ordinary shares interested ⁽¹⁾	Approximate percentage in the Company's issued share capital ⁽⁵⁾
Mr. Hu	Interest in controlled corporations ⁽²⁾⁽³⁾	94,170,773 Shares (L)	26.66%
	Beneficial owner ⁽⁴⁾	2,868,968 Shares (L)	0.81%
	Total	97,039,741 Shares (L)	27.47%
Mr. Chen Xiuwei	Beneficial owner ⁽⁴⁾	1,361,254 Shares (L)	0.39%
Mr. Cao Weijun	Beneficial owner ⁽⁴⁾	19,500 Shares (L)	0.01%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Bear Family is interested in 75,107,558 Shares and Bear Family is wholly owned by Mr. Hu. By virtue of the SFO, Mr. Hu is deemed to be interested in the Shares held by Bear Family.
- (3) Little Bear is interested in 19,063,215 Shares. Mr. Hu controls the entire voting rights of Little Bear. As such, by virtue of the SFO, Mr. Hu is deemed to be interested in the Shares held by Little Bear.
- (4) Mr. Hu, Mr. Chen Xiuwei and Mr. Cao Weijun has been granted options and/or awards with respect to 2,868,968, 1,361,254 and 19,500 outstanding Shares, respectively, under the LX Brothers Employee Incentive Plan and the Beauty Bear Employee Incentive Plan. These Shares are currently held by Teeroy Trust and Tricor Trust. For details, please refer to the section headed "Employee Incentive Plans" in this report.
- (5) Calculated on the basis of 353,259,000 Shares in issue as at 30 June 2025.



Corporate Governance and Other Information

Interest in shares of associated corporation

Name of Director	Associated corporation	Capacity/nature of interest	Number of shares ⁽¹⁾	Approximate percentage of shareholding interest
Mr. Hu	Bear Family	Beneficial owner	1 share (L)	100%
	Little Bear	Beneficial owner	878 shares (L)	8.78%
		Interest in a controlled corporation	9,122 shares (L)	91.22%
		Total	10,000 shares (L)	100%

Note:

(1) The letter "L" denotes the person's long position in the shares of the associated corporation.

Save as disclosed above and to the best knowledge of the Directors, as at 30 June 2025, none of the Directors or the chief executive of the Company has any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DEBENTURES

The Company did not issue any debentures for the six months ended 30 June 2025.



Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

So far as our Directors are aware, as at 30 June 2025, the following persons (other than the Directors or chief executive) had an interests or short positions in the Shares or underlying Shares as required in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of ordinary shares interested ⁽¹⁾	Approximate percentage in the Company's issued share capital ⁽¹¹⁾
Bear Family	Beneficial owner	75,107,558 Shares (L)	21.26%
Hunan TV and Broadcast Intermediary Co., Ltd. (湖南電廣傳媒股份有限公司) ("Hunan TVBI")	Interest in controlled corporations ⁽²⁾	46,335,877 Shares (L)	13.12%
Shenzhen Dachen Caizhi Venture Capital Investment Management Co., Ltd. (深圳市達晨財智創業投資管理有限公司) ("Dachen Management")	Interest in controlled corporations ⁽³⁾	46,335,877 Shares (L)	13.12%
Shanghai Tongyun Information Technology Partnership (LLP) (上海通韞信息技術合夥企業(有限合夥)) ("Shanghai Tongyun")	Interest in controlled corporations ⁽⁴⁾	32,941,239 Shares (L)	9.32%
UBS Trustees (B.V.I.) Limited	Trustee ⁽⁵⁾	39,589,868 Shares (L)	11.21%
Mr. Liu Qiangdong Richard ("Mr. Liu")	Beneficiary of a trust ⁽⁵⁾	39,589,868 Shares (L)	11.21%
Mr. Chen Wei	Interest in a controlled corporation ⁽⁶⁾	36,896,591 Shares (L)	10.44%
Shenzhen Oriental Fortune Investment Management Co., Ltd. (深圳市東方富海投資管理股份有限公司) ("Shenzhen OFC Investment")	Interest in a controlled corporation ⁽⁶⁾	36,896,591 Shares (L)	10.44%
Beauty Bear	Beneficial owner ⁽⁷⁾	27,000,000 Shares (L)	7.64%
Teeroy Trust	Trustee ⁽⁷⁾	27,000,000 Shares (L)	7.64%
Little Bear	Beneficial owner ⁽⁸⁾	19,063,215 Shares (L)	5.40%
Mr. Hua	Interest in a controlled corporation ⁽⁹⁾	18,528,528 Shares (L)	5.25%
	Beneficial owner ⁽⁹⁾	6,000,000 Shares (L)	1.70%
	Total	24,528,528 Shares (L)	6.94%
LX Brothers	Beneficial owner ⁽¹⁰⁾	17,880,602 Shares (L)	5.06%
Tricor Trust	Trustee ⁽¹⁰⁾	17,880,602 Shares (L)	5.06%



Corporate Governance and Other Information

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Dachen Management is ultimately owned as to 55% by Hunan TVBI. By virtue of the SFO, Hunan TVBI is deemed to be interested in the Shares held by Dachen Management.
- (3) Shanghai Tong Yun Xin Xi Ji Shu Company Limited ("**Dachen Chuangtong BVI**"), Shanghai Jing Zhe Xin Xi Ji Shu Company Limited ("**Dachen Chuangjing BVI**") and Shanghai Yuanzhe Enterprise Management Partnership (LLP) (上海元輒企業管理合夥企業 (有限合夥)) ("**Dachen Chuangyuan ODI**") hold 32,941,239 Shares, 8,656,664 Shares and 4,737,974 Shares, respectively. Dachen Management is the sole general partner of Dachen Chuangtong BVI, Dachen Chuangjing BVI and Dachen Chuangyuan ODI.
- (4) Dachen Chuangtong BVI is wholly-owned by Shanghai Tongyun. By virtue of the SFO, Shanghai Yongyun is deemed to be interested in the Shares held by Dachen Chuangtong BVI.
- (5) Tigris Innovation Limited which holds 39,589,868 Shares is wholly-owned by JD.com Investment Limited, which in turn is wholly-owned by JD.com. As at 28 February 2025, JD.com, Inc. is held, in terms of voting power, as to approximately 71.7% by Mr. Liu mainly through Max Smart Limited and Fortune Rising Holdings Limited. Max Smart Limited is a BVI company beneficially owned by Mr. Liu through a trust and of which Mr. Liu is the sole director. Fortune Rising Holdings Limited is a company incorporated in the BVI and holds shares of JD.com for the purpose of transferring such shares to the plan participants under JD.com's share incentive plan, and administers the awards and acts according to JD.com's instruction. Fortune Rising Holdings Limited exercises the voting power with respect to these shares according to JD.com's instruction. Mr. Liu is the sole shareholder and the sole director of Fortune Rising Holdings Limited.
- (6) Shanghai Yujun Enterprise Management Partnership (LLP) (上海譽竣企業管理合夥企業(有限合夥)) ("**Shanghai Yujun**") holds 36,896,591 Shares and was managed by Shenzhen Oriental Fortune SME Development Fund Equity Investment Management Co., Ltd. (深圳市富海中小企業發展基金股權投資管理有限公司) ("**Shenzhen OFC**") as its sole general partner and SME Development Fund (Shenzhen Nanshan LLP) (中小企業發展基金(深圳南山有限合夥)) ("**SME Fund**") is the only limited partner which holds more than one-third of the interest in Shanghai Yujun. SME Fund was also managed by Shenzhen OFC, which in turn was owned as to 51% by Shenzhen OFC Investment. Shenzhen OFC Investment was ultimately beneficially owned by Mr. Chen Wei.
- (7) The entire issued share capital of Beauty Bear is held by Teeroy Trust, who was entrusted by the Company to hold such Shares for the Beauty Bear Employee Incentive Plan.
- (8) Little Bear is owned as to 8.78% by Mr. Hu, 51.56% by Mr. He, 24.91% by Mr. Tang and 14.75% by Mr. Cao, among whom Mr. Hu subscribed for the voting shares and the other shareholders subscribed for the non-voting shares. As the voting rights of Little Bear are exercised by Mr. Hu, by virtue of the SFO, Mr. Hu is deemed to be interested in the Shares held by Little Bear. For details of interests held by Mr. Hu, please refer to the section headed "Interests of Directors and Chief Executive in Securities — Interest in Shares or Underlying Shares of the Company" in this report.
- (9) Gold Bear Technology Limited is wholly-owned by Mr. Hua. By virtue of the SFO, Mr. Hua is deemed to be interested in the Shares held by Gold Bear Technology Limited. Mr. Hua has been granted award shares with respect to 6,000,000 outstanding Shares under the RSA Scheme of Beauty Bear Employee Incentive Plan, in which 3,000,000 Shares were vested to, and purchased by Mr. Hua and the remaining 3,000,000 Shares are currently held by Teeroy Trust (see note (7) above). For details, please refer to the section headed "Employee Incentive Plans — 2. Beauty Bear Employee Incentive Plan — 2.2. The RSA Scheme" in this report.
- (10) The entire issued share capital of LX Brothers is held by Tricor Trust, who was entrusted by our Company to hold such Shares for the purpose of the LX Brothers Employee Incentive Plan.
- (11) Calculated on the basis of 353,259,000 Shares in issue as at 30 June 2025.

Save as disclosed herein, as at 30 June 2025, our Directors are not aware of any persons (other than the Directors or chief executive) who had an interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.



Corporate Governance and Other Information

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As at 30 June 2025, the Company did not hold any treasury shares.

PROCEEDS FROM THE LISTING

The Shares were successfully listed on the Stock Exchange on the Listing Date, and 353,259,000 Shares were issued. After deduction of underwriting fees and related expenses, the net proceeds from the Listing were approximately HK\$338.1 million (approximately RMB307.9 million) (the **"Net Proceeds"**).

On 20 September 2024, the Board has resolved to (i) allocate approximately RMB131.97 million of the unutilised Net Proceeds to a new sub-category of "To fund the procurement and/or bidding of de-commissioned IT devices for our device recycling business" under the major category of "To improve customer experience to satisfy the evolving customer demands"; (ii) remove the restriction that approximately 20% of the total purchase price of the relevant IT devices will be paid using the Net Proceeds under the sub-category of "(i) To expand the scale of IT devices under our management and develop DLM solutions and services for different scenarios, such as digital printing solutions and integrated cloud-based conferencing solutions, etc." under the major category of "To improve customer experience to satisfy the evolving customer demands" pursuant to the Prospectus; and (iii) move forward the timeline for full utilisation of the Net Proceeds to 31 March 2025. For further details, please refer to the announcement of the Company dated 20 September 2024 (the **"UOP Announcement"**).

An analysis of the utilisation of the Net Proceeds during the Reporting Period is set out below:

	Planned use of Net Proceeds as set out in the Prospectus (RMB million)	Planned use of Net Proceeds as set out in the UOP Announcement (RMB million)	Unutilised as at 1 January 2025 (RMB million)	Net Proceeds utilised during the Period (RMB million)	Unutilised as at 30 June 2025 (RMB million)	Expected timeline for full utilisation
To improve customer experience to satisfy the evolving customer demands:	138.55	145.54	0.00	0.00	0.00	—
(i) To expand the scale of IT devices under our management and develop DLM solutions and services for different scenarios, such as digital printing solutions and integrated cloud-based conferencing solutions, etc.	92.37	13.57	0.00	0.00	0.00	—
(ii) To continue to refurbish and upgrade de-commissioned IT devices to extend their service life and upgrade their performance and improve customer experience	30.79	0.00	0.00	0.00	0.00	—



Corporate Governance and Other Information

	Planned use of Net Proceeds as set out in the Prospectus (RMB million)	Planned use of Net Proceeds as set out in the UOP Announcement (RMB million)	Unutilised as at 1 January 2025 (RMB million)	Net Proceeds utilised during the Period (RMB million)	Unutilised as at 30 June 2025 (RMB million)	Expected timeline for full utilisation
(iii) To improve our technical service capabilities, recruit technical professionals with extensive technical service experience and provide professional training to the team, increase the coverage of service personnel in core cities and CBDs, and address customers' demand in a more responsive manner in these regions	15.39	0.00	0.00	0.00	0.00	—
(iv) To fund the procurement and/or bidding of de-commissioned IT devices for our device recycling business	—	131.97	0.00	0.00	0.00	—
To expand customer base and our market share in targeted markets:	76.98	12.80	6.18	6.18	0.00	—
(i) To expand our elite sales team and improve the training system for sales team to strengthen our sales network, expand our services in core cities and CBDs, and expand our customer base of growing enterprises	38.49	12.80	6.18	6.18	0.00	—
(ii) To enhance our brand awareness and industry influence through online and offline marketing and brand promotion, and increase awareness and engagement of customers	38.49	0.00	0.00	0.00	0.00	—
– to increase our online customer acquisition by engaging in search engines and social media advertising	27.71	0.00	0.00	0.00	0.00	—
– to cover our increased advertising expenditure to strengthen our brand awareness	10.78	0.00	0.00	0.00	0.00	—
For system upgrade and product development:	46.18	0.00	0.00	0.00	0.00	—
(i) To further enhance technology capabilities and upgrade system infrastructure to improve our operational efficiency, asset management efficiency and asset utilisation rate	33.87	0.00	0.00	0.00	0.00	—
– to recruit research and development staff	29.25	0.00	0.00	0.00	0.00	—
– to invest in system server resources and software license fee	4.62	0.00	0.00	0.00	0.00	—
(ii) To upgrade and enhance the functionalities of our SaaS products by introducing features such as IoT technology and intelligent inventory counts to cover more business and application scenarios for enterprises to manage the full lifecycle of fixed assets	6.16	0.00	0.00	0.00	0.00	—
– to recruit IoT engineers and IoT product managers and pay for their salaries	4.00	0.00	0.00	0.00	0.00	—
– to purchase smart hardware devices, related consumables and server resources	2.16	0.00	0.00	0.00	0.00	—
(iii) To co-develop customer service portals with third-party business partners with the core capabilities of the DLM system through standard technical interfaces, so that third party business partners can provide DLM solutions on their own platforms	6.16	0.00	0.00	0.00	0.00	—
– to recruit research and development staff and pay for their salaries	4.62	0.00	0.00	0.00	0.00	—
– to purchase designated devices for the development of customers service portals with third-party business partners	1.54	0.00	0.00	0.00	0.00	—



Corporate Governance and Other Information

	Planned use of Net Proceeds as set out in the Prospectus (RMB million)	Planned use of Net Proceeds as set out in the UOP Announcement (RMB million)	Unutilised as at 1 January 2025 (RMB million)	Net Proceeds utilised during the Period (RMB million)	Unutilised as at 30 June 2025 (RMB million)	Expected timeline for full utilisation
To strengthen our risk management capabilities:	15.40	0.00	0.00	0.00	0.00	—
(i) To expand the application of artificial intelligence technology, upgrade the intelligent risk control model and enhance real time corporate credit assessment capabilities. We also plan to upgrade and optimise our intelligent credit granting, anti-fraud and early risk warning systems to improve the efficiency and accuracy of risk assessment	7.70	0.00	0.00	0.00	0.00	—
(ii) To establish internal and offline risk control teams, and improve online and offline integrated risk control capabilities	7.70	0.00	0.00	0.00	0.00	—
– to recruit risk control personnel and pay for their salaries	6.16	0.00	0.00	0.00	0.00	—
– for third-party data system	1.54	0.00	0.00	0.00	0.00	—
For working capital and general corporate purposes	30.79	0.00	0.00	0.00	0.00	—
Total	307.90	158.34	6.18	6.18	0.00	

During the Period, the unutilised Net Proceeds were placed with commercial banks licensed in Hong Kong or the PRC. As at the end of the Period, all Net Proceeds have been fully utilised.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no significant investments, acquisitions and disposals of subsidiaries, associates or joint ventures during the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Except for the plans disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the Prospectus and in this report, the Group has no future plan for material investments or capital assets during the Reporting Period. However, the Group will continue to identify new opportunities for business development.

AUDIT COMMITTEE

The Company established the Audit Committee in compliance with the CG Code. During the Reporting Period, the Audit Committee consisted of three independent non-executive Directors, namely Mr. Zou Shenghe, Ms. Xu Nailing and Mr. Yao Zhengwang. Each of Mr. Zou Shenghe and Ms. Xu Nailing holds the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) and Rule 3.21 of the Listing Rules.

REVIEW OF INTERIM REPORT

The Audit Committee has reviewed the Group’s unaudited consolidated financial information for the Reporting Period, and discussed with the management of the Company the accounting principles and practices adopted by the Group.

Corporate Governance and Other Information

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, the Company has maintained the public float as required under the Listing Rules during the Reporting Period.

INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO RULE 13.51B OF THE LISTING RULES

As at the date of this report, the Directors confirmed that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules and none of the Directors or senior management had any relationship with any other Directors or senior management.

OTHER CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

As at 30 June 2025, the Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CONSTITUTIONAL DOCUMENTS

During the Reporting Period, there has not been any change in the Memorandum and Articles of Association. The Memorandum and Articles of Association are available on the website of the Company (www.bearrental.com) and the website of the Stock Exchange (<http://www.hkexnews.hk>).



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025	2024
		RMB'000 (unaudited)	RMB'000 (unaudited)
REVENUE	4	1,116,671	942,598
Cost of sales		(1,014,777)	(849,718)
GROSS PROFIT		101,894	92,880
Other income	5	13,050	13,574
Other gains and losses	6	33,266	16,946
Impairment losses under expected credit loss model, net of reversal		(5,492)	(5,028)
Distribution and selling expenses		(62,102)	(77,277)
Administrative expenses		(42,531)	(47,079)
Research and development expenses		(9,000)	(14,525)
Finance costs	7	(25,000)	(23,613)
PROFIT/(LOSS) BEFORE TAX	8	4,085	(44,122)
Income tax credit	9	823	3,539
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		4,908	(40,583)
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		5,655	(39,792)
Non-controlling interests		(747)	(791)
		4,908	(40,583)
EARNINGS/(LOSS) PER SHARE	11		
— Basic (RMB)		0.02	(0.13)
— Diluted (RMB)		0.02	(0.13)

Condensed Consolidated Statement of Financial Position

as at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Non-current assets			
Property, plant and equipment and right-of-use assets	12	719,788	743,472
Goodwill		23,592	21,204
Intangible assets		62,663	21,932
Deposits paid for acquisition of property, plant and equipment and intangible assets		9,531	9,780
Other receivables, deposits and prepayments	14	6,220	5,167
Restricted deposits		12,913	14,009
Deferred tax assets		12,716	13,370
Total non-current assets		847,423	828,934
Current assets			
Inventories		135,027	102,802
Trade and lease receivables	13	131,956	255,623
Other receivables, deposits and prepayments	14	108,833	127,685
Financial assets at fair value through profit or loss ("FVTPL")		213,611	125,431
Restricted deposits		8,250	4,915
Cash and cash equivalents		365,007	276,940
Total current assets		962,684	893,396
Current liabilities			
Trade payables, other payables and accruals	15	166,233	175,060
Borrowings	16	566,240	585,481
Lease liabilities		8,516	5,503
Contract liabilities		1,213	2,309
Total current liabilities		742,202	768,353
Net current assets		220,482	125,043
Total assets less current liabilities		1,067,905	953,977



Condensed Consolidated Statement of Financial Position

as at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Non-current liabilities			
Borrowings	16	286,055	223,711
Lease liabilities		10,996	6,934
Deferred tax liabilities		17,145	7,130
Total non-current liabilities		314,196	237,775
NET ASSETS		753,709	716,202
Capital and reserves			
Share capital	17	3,158	3,158
Reserves		726,351	711,111
		729,509	714,269
Non-controlling interests		24,200	1,933
TOTAL EQUITY		753,709	716,202

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025

	Attributable to owners of the Company								
	Paid-up	Share premium*	Statutory surplus reserve*	Other reserves*	Share-based payments reserve*	Accumulated losses*	Total equity	Non- controlling interests	Total equity
	capital/share								
	capital								
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (audited)	3,158	1,263,785	6,735	50,898	131,602	(719,605)	736,573	3,236	739,809
Total comprehensive expense for the period (unaudited)	—	—	—	—	—	(39,792)	(39,792)	(791)	(40,583)
Recognition of equity-settled share-based payments (note 22) (unaudited)	—	—	—	—	18,332	—	18,332	—	18,332
Exercise of share awards (unaudited)	—	22,283	—	—	(22,256)	—	27	—	27
Forfeited share options (unaudited)	—	—	—	—	(12)	12	—	—	—
At 30 June 2024 (unaudited)	3,158	1,286,068	6,735	50,898	127,666	(759,385)	715,140	2,445	717,585
At 1 January 2025 (audited)	3,158	1,286,041	6,735	50,925	143,961	(776,551)	714,269	1,933	716,202
Total comprehensive income/(expense) for the period (unaudited)	—	—	—	—	—	5,655	5,655	(747)	4,908
Effect of acquisition of a subsidiary (note 20) (unaudited)	—	—	—	—	—	—	—	23,014	23,014
Recognition of equity-settled share-based payments (note 22) (unaudited)	—	—	—	—	9,642	—	9,642	—	9,642
Forfeited share options (unaudited)	—	—	—	—	(57)	—	(57)	—	(57)
At 30 June 2025 (unaudited)	3,158	1,286,041	6,735	50,925	153,546	(770,896)	729,509	24,200	753,709

* These reserve accounts comprise the consolidated reserves in the condensed consolidated statement of financial position.



Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2025

	Note	Six months ended 30 June	
		2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Net cash generated from operating activities		201,131	50,252
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,014	333
Purchase of property, plant and equipment		(128,274)	(141,432)
Proceeds on disposal of property, plant and equipment		18,315	36,421
Deposits paid for acquisition of property, plant and equipment and intangible assets		(33)	(3,193)
Other investing activities		3,155	4,808
Acquisition of a subsidiary	20	(23,630)	—
Net cash used in investing activities		(129,453)	(103,063)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(25,000)	(23,613)
Repayments of borrowings		(410,626)	(277,508)
Repayments of lease liabilities		(4,135)	(5,094)
New borrowings raised		453,729	424,804
Net cash generated from financing activities		13,968	118,589
NET INCREASE IN CASH AND CASH EQUIVALENTS		85,646	65,778
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		276,940	390,658
Effect of foreign exchange rate changes		2,421	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD, represented by		365,007	456,436
Bank balances and cash		365,007	456,436

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

1. GENERAL INFORMATION

LX Technology Group Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 10 January 2022 under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) effective from 24 November 2022. The respective addresses of the Company’s registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and principal place of business is 501, 5th Floor, Cuilin Building, 10 Kaifeng Road, Maling District, Meilin Street, Futian District, Shenzhen, China.

The Company is an investment holding company and the Company and its subsidiaries (collectively, referred to as the “**Group**”) are engaged in device recycling business, provision of device subscription services and information technology (“**IT**”) technical subscription services.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

These Interim Financial Information have been prepared in accordance with International Accounting Standard 34 issued by the International Accounting Standards Board (“**IASB**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Interim Financial Information do not included all the information and disclosures required in a full set of financial statements, and should be read in conjunction with the Group’s 2024 annual consolidated financial statements for the year ended 31 December 2024 (“**2024 Annual Report**”). The accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with those used in 2024 Annual Report.



Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

3. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted all the new and revised IFRS Accounting Standards issued by the IASB that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. IFRS Accounting Standards comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards (“**IAS**”); and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. SEGMENT INFORMATION AND REVENUE

Segment Information

Information reported to the management of the Group, being the chief operating decision maker, for the purposes of resource allocation and assessment focuses on revenue analysis. No other discrete financial information is provided other than the Group’s segment revenue and the Group’s results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

Specifically, the Group’s reportable segments under IFRS 8 Operating Segments are as follows:

- (1) Device recycling business
- (2) Device subscription services

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

4. SEGMENT INFORMATION AND REVENUE (Continued)**Segment Information (Continued)****For the six months ended 30 June 2025**

	Device recycling business RMB'000 (unaudited)	Device subscription services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Device recycling income			
— Mobile devices	413,813	—	413,813
— Non-mobile devices	434,311	—	434,311
Device subscription services			
— Short-term device subscription	—	23,464	23,464
— Long-term device subscription	—	168,450	168,450
IT technical subscription services	—	76,633	76,633
	848,124	268,547	1,116,671

For the six months ended 30 June 2024

	Device recycling business RMB'000 (unaudited)	Device subscription services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Device recycling income			
— Mobile devices	470,348	—	470,348
— Non-mobile devices	211,505	—	211,505
Device subscription services			
— Short-term device subscription	—	23,830	23,830
— Long-term device subscription	—	159,900	159,900
IT technical subscription services	—	77,015	77,015
	681,853	260,745	942,598



Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

4. SEGMENT INFORMATION AND REVENUE (Continued)**Geographical information**

	Revenue from external customers		Non-current assets	
	Six months ended		As at	As at
	30 June		30 June	31 December
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
PRC	1,103,867	942,598	808,298	796,388
Hong Kong	12,804	—	7,276	—
	1,116,671	942,598	815,574	796,388

In presenting the geographical information, the revenue information is based on the locations of the customers while the non-current assets information is based on the location of assets and excludes other receivables, deposits and prepayments, restricted deposits and deferred tax assets.

Revenue*Disaggregation of revenue from contracts with customers*

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Type of goods or services		
Device recycling income	848,124	681,853
IT technical subscription services	76,633	77,015
Short-term device subscription	23,464	23,830
Total	948,221	782,698
Timing of revenue recognition		
At a point in time	848,124	681,853
Over time	100,097	100,845
	948,221	782,698

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

4. SEGMENT INFORMATION AND REVENUE (Continued)**Geographical information (Continued)****Revenue (Continued)***Disaggregation of revenue from contracts with customers (Continued)*

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Device recycling income	848,124	681,853
Device subscription services	100,097	100,845
Revenue from contracts with customers	948,221	782,698
Lease income from device subscription services	168,450	159,900
Total revenue	1,116,671	942,598

5. OTHER INCOME

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Interest income	1,014	333
Government subsidies (note)	9,524	10,082
Compensation income from customers	2,387	3,051
Sundry income	125	108
	13,050	13,574

Note: Government subsidies mainly represent industry-specific subsidies granted by the government authorities with no future related costs to be incurred. There are no unfulfilled conditions relating to such government subsidies recognised.



Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Dividend income	5,165	551
Gain on disposal of property, plant and equipment	135	1,873
Foreign exchange (loss)/gain	(4,152)	53
Fair value change of financial assets at FVTPL	32,118	14,469
	33,266	16,946

7. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expenses on borrowings	24,618	23,050
Interest expenses on lease liabilities	382	563
	25,000	23,613

8. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is stated after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Directors' emoluments	2,785	4,673
Depreciation of property, plant and equipment and right-of-use assets	147,752	138,389
Amortization of intangible assets	4,569	4,333
Gain on disposal of property, plant and equipment	(135)	(1,873)
Cost of inventories recognised as an expense	801,226	637,513

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

9. INCOME TAX CREDIT

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax — the PRC		
Charge/(credit) for the period	8	(9)
Deferred tax	(831)	(3,530)
	(823)	(3,539)

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and is exempted from the Cayman Islands income tax.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, the provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (six months ended 30 June 2024: no Hong Kong profits tax had been provided as there was no business operation) to the six months ended 30 June 2025, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The income tax provision of the subsidiaries operating in the PRC has been calculated at the tax rate of 25% on the taxable income for the reporting period, except for LX Shenzhen and certain subsidiaries, based on the existing legislation, interpretations and practices in respect thereof.

LX Shenzhen, a major operating entity of the Group in the PRC, was qualified as “High and New Technology Enterprises” in October 2017 which was subsequently renewed in November 2023 with a valid period of three years, and therefore LX Shenzhen is entitled to a preferential income tax rate of 15% for the six months ended 30 June 2024 and 2023. The latest approval for LX Shenzhen enjoying this tax benefit was obtained in November 2023 for the financial years of 2023, 2024 and 2025.

Certain subsidiaries in the PRC were qualified as “Small Low-profit Enterprise”. From 1 January 2022 to 31 December 2022, the first RMB1 million of profits of qualifying corporation are taxed 2.5%, and profits between RMB1 million and RMB3 million are taxed at 5%. From 1 January 2023 to 31 December 2027, the profits no more than RMB3 million are taxed 5%.

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2018 onwards, enterprises engage in research and development activities are entitled to claim 175% of the research and development expenses incurred in a year as tax deductible expenses in determining the taxable income for that year (“**Super Deduction**”). LX Shenzhen has claimed such Super Deduction in ascertaining its tax assessable profits for the six months ended 30 June 2025 and 2024.

10. DIVIDEND

No dividend was declared or paid by the Company since its incorporation in respect of the six months ended 30 June 2025 and 2024, nor any dividend been proposed since the end of the reporting period.



Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

11. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted profit/(loss) per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Profit/(loss) for the period attributable to owners of the Company for the purpose of basic and diluted profit/(loss) per shares	5,655	(39,792)

	Six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic profit/(loss) and diluted per share		
Effect of dilutive potential ordinary shares:	308,378,399	305,460,816
— Share options and share awards	21,353,356	—
Weighted average number of ordinary shares for the purpose of diluted profit/(loss) per share	329,731,755	305,460,816

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

12. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025, the Group acquired property, plant and equipment at a total cost of RMB128,556,000 (six months ended 30 June 2024: RMB141,432,000).

During the six months ended 30 June 2025, property, plant and equipment with a carrying amount of RMB18,180,000 (six months ended 30 June 2024: RMB34,548,000) were disposed of by the Group, resulting in a gain on disposals of RMB135,000 (six months ended 30 June 2024: RMB1,873,000).

During the six months ended 30 June 2025, the Group has entered into several new lease agreements for the use of offices for 2 to 5 years (six months ended 30 June 2024: 4 to 5 years). On the lease commencement or lease renewal, the Group recognised right-of-use assets of RMB11,210,000 (six months ended 30 June 2024: RMB6,659,000) and a corresponding adjustment of the same amount to lease liabilities during the six months ended 30 June 2025. During the six months ended 30 June 2025, the Group has not terminated any lease arrangement which constituted lease modifications (six months ended 30 June 2024: the Group has not terminated any lease arrangement which constituted lease modifications).

13. TRADE AND LEASE RECEIVABLES

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Trade and lease receivables		
— third parties	160,408	276,622
— related parties	4,693	6,652
	165,101	283,274
Less: allowance for expected credit losses	(33,145)	(27,651)
	131,956	255,623



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for the six months ended 30 June 2025

13. TRADE AND LEASE RECEIVABLES (Continued)

The following is an aged analysis of trade and lease receivables, net of allowance for expected credit losses, presented based on the revenue recognition dates at the end of each reporting period:

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Within 3 months	107,643	232,594
More than 3 months but within 6 months	8,269	7,861
More than 6 months but within 1 year	9,736	10,626
Over 1 year	6,308	4,542
	131,956	255,623

Note: The Group has receivables from its related parties at the end of reporting period for providing device subscription services, IT technical subscription services and device recycling income as disclosed in note 21.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Prepayment for operating expenses	18,173	14,661
Rental deposits	2,201	2,465
Advances to suppliers	27,803	40,463
Value-added tax receivables	56,489	61,741
Other deposits paid	3,731	10,658
Others	6,656	2,864
	115,053	132,852
Represented by:		
— non-current	6,220	5,167
— current	108,833	127,685
	115,053	132,852
— third parties	105,137	122,195
— related parties (note)	9,916	10,657
	115,053	132,852

Note: The Group has prepaid for certain operating expenses, including marketing and promotion services, maintenance services and logistics services, and purchase deposits to its related parties at the end of reporting period for those transactions disclosed in note 21.

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for the six months ended 30 June 2025

15. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Trade payables	92,029	107,382
Other payables and accruals		
Accrued staff costs and retirement benefit scheme contributions	28,282	31,763
Advance from leasing customers under device subscription service	15,116	17,733
Other tax payables	1,451	4,296
Secured and other deposits received	7,414	7,580
Accrued expenses	21,941	6,306
	74,204	67,678
	166,233	175,060
Represented by:		
— third parties	166,177	174,539
— related parties (note)	56	521
	166,233	175,060

Note: The Group has payable to its related parties at the end of reporting period for purchase of IT equipment, certain operating expenses, including marketing and promotion services as disclosed in note 21.

The credit period on trade payables ranges from 0 to 90 days. The aging analysis of the Group's trade payables presented based on the invoice dates at the end of reporting period are as follows:

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Within 6 months	66,371	101,483
6–12 months	21,294	3,127
Over 1 year	4,364	2,772
	92,029	107,382



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16. BORROWINGS

During the six months ended 30 June 2025, the Group obtained new borrowings of RMB453,729,000 as additional working capital (six months ended 30 June 2024: RMB424,804,000) and made repayments of borrowings of RMB410,626,000 (six months ended 30 June 2024: RMB277,508,000).

17. SHARE CAPITAL

	Number of shares	Share capital HK\$	Share capital RMB'000
Authorized			
Ordinary shares of HK\$0.01 each			
At 1 January 2024, 31 December 2024 (audited),			
1 January 2025 and 30 June 2025 (unaudited)	1,000,000,000	10,000,000	8,370
Issued and fully paid			
At 1 January 2024, 31 December 2024 (audited),			
1 January 2025 and 30 June 2025 (unaudited)	353,259,000	3,532,590	3,158

18. CAPITAL COMMITMENTS

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

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the condensed consolidated financial statements	3,973	4,497

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19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy at 30 June 2025:

	Fair value measurement using:			Total As at
	Level 1	Level 2	Level 3	30 June
	RMB'000	RMB'000	RMB'000	2025
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Description				
Recurring fair value measurements:				
Financial assets at FVTPL	213,611	—	—	213,611
	213,611	—	—	213,611

Disclosures of level in fair value hierarchy at 31 December 2024:

	Fair value measurement using:			Total As at
	Level 1	Level 2	Level 3	31 December
	RMB'000	RMB'000	RMB'000	2024
	(audited)	(audited)	(audited)	(audited)
Description				
Recurring fair value measurements:				
Financial assets at FVTPL	125,431	—	—	125,431
	125,431	—	—	125,431



Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

20. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**Acquisition of a Subsidiary**

On 28 February 2025, the Group acquired 49% of the issued share capital of 上海慧鎔電子產品再製造有限公司 (“**Shanghai Huirong**”) from HuiRong Electronic System Engineering Company Limited, an independent third party, at a total cash consideration of RMB24,500,000. The principal activity of Shanghai Huirong is device recycling business. Although the Group owns less than 50% of the equity interest in Shanghai Huirong is accounted for as a subsidiary of the Group because the directors consider that the Group has power and extensive decision-making rights that give the Group current ability to direct the relevant activities of Shanghai Huirong. Therefore, the Group has de factor control over it.

Acquisition-related costs amounting to RMB112,000 have been excluded from the consideration transferred and have been recognised directly as an expense in the current period within the “administrative expenses” line item in the condensed consolidated statement of profit or loss or other comprehensive income.

The fair value of the identifiable assets and liabilities of Shanghai Huirong acquired as at its date of acquisition (determined on a provisional basis) is as follows:

Net assets acquired:	RMB'000
Property, plant and equipment and right-of-use assets	9,008
Intangible assets	45,300
Inventories	6,650
Trade receivables	4,442
Other receivables, deposits and prepayments	3,631
Cash and cash equivalents	870
Trade payables, other payables and accruals	(13,275)
Deferred tax liabilities	(11,500)
Total identifiable net assets at fair value	45,126

The receivables acquired (which principally comprised trade receivables) with a fair value of RMB4,442,000 at the date of acquisition had gross contractual amounts of RMB4,442,000. No receivable amount is not expected to be collected at the best estimate at the acquisition date of the contractual cash flows.

Notes to the Condensed Consolidated Financial Statements

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20. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

Non-controlling interests

The non-controlling interests (51%) in Shanghai Huirong recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net identifiable assets of Shanghai Huirong and amounted to RMB23,014,000.

Goodwill arising from acquisition	
Consideration transferred	24,500
Add: Non-controlling interests	23,014
Less: Fair value of identifiable net assets acquired	(45,126)
Goodwill	2,388

Goodwill arose on the acquisition of Shanghai Huirong because the acquisition included the assembled workforce. This benefit is not recognised separately from goodwill because it do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Satisfied by:	
Cash	24,500
Net cash outflow arising on acquisition:	
Cash consideration paid	(24,500)
Cash and cash equivalents acquired	870
	(23,630)

Impact of acquisition on the results of the Group

Shanghai Huirong contributed approximately RMB5,053,000 and RMB230,000 to the Group's revenue and profit for the six months ended 30 June 2025 respectively for the period between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1 January 2025, total Group revenue for the year would have been approximately RMB1,118,832,000, and profit for the year would have been approximately RMB4,671,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is intended to be a projection of future results.



Notes to the Condensed Consolidated Financial Statements

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21. RELATED PARTY TRANSACTIONS

Other than those transactions and balances disclosed in notes 13, 14, and 15 to the Interim Financial Information, the Group has following transactions with related parties:

Relationship	Nature of transactions	Six months ended 30 June	
		2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Entities which a director of the Company or ex-director of LX Shenzhen has significant influence	Revenue from related parties		
	— Device subscription services	2,011	2,083
	— IT technical subscription services	198	69
	Purchase of IT equipment from related parties		
	Services received from related parties	6,575	3,357
	— Marketing and promotion services	35	55
	— Maintenance services	1,503	1,197

Compensation of key management personnel

The remuneration of directors of the Company, chief executive officer and other members of key management of the Group was as follows:

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Short-term employee benefits	2,499	2,367
Post-employment benefits	75	55
Equity-settled share-based payments expenses	1,254	3,340
	3,828	5,762

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22. SHARE-BASED PAYMENT TRANSACTIONS**Equity-settled share option scheme of the Company*****LX Brothers Employee Incentive Plan***

LX Brothers Employee Incentive Plan is adopted by the Company pursuant to the written resolutions of the board of directors of the Company passed on 23 March 2022, which is a share incentive scheme and is established to recognise the contribution of the employees of the Group towards its growth and success. The LX Brothers Employee Incentive Plan will provide the eligible participants with an opportunity to have a personal stake in the Group with a view to achieving the following objectives:

- (i) encourage the eligible participants to contribute to the Group for the long-term benefits of the Company; and
- (ii) provide the Group with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to the eligible participants.

The Group recognised total expenses of approximately RMB4,328,000 (six months ended 30 June 2024: RMB7,941,000) relating to share option payment transactions for the six months ended 30 June 2025.

Beauty Bear Employee Incentive Plan

Beauty Bear Employee Incentive Plan is adopted by the Company pursuant to the written resolutions of the board of directors of the Company passed on 1 April 2022, which is established to recognise and acknowledge the contributions that the eligible participants had or may have made to the Group. The Beauty Bear Employee Incentive Plan will provide the eligible participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) encourage the eligible participants to contribute to the Group for the long-term benefits of the Company; and
- (ii) provide the Group with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to the eligible participants.

Beauty Bear Employee Incentive Plan consists of a share option scheme (i.e. Beauty Bear Share Option Scheme) and a restricted share award scheme.

Beauty Bear Share Option Scheme

No options were granted under the Beauty Bear Share Option Scheme during the six months ended 30 June 2025.



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22. SHARE-BASED PAYMENT TRANSACTIONS (Continued)**Equity-settled share option scheme of the Company (Continued)*****Restricted Share Award Scheme***

Restricted Share Award Scheme (“**RSA Scheme**”) is adopted by the Company pursuant to a resolution (“**Resolution**”) of the board of directors of the Company passed on 1 April 2022, which is to encourage certain directors of the Company, employees to contribute to the Group for the long-term benefits of the Company and the shareholders as a whole and provide the Group with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to any director of the Company, employee or any other person that, in the opinion of the board committee in its sole and absolute discretion, will contribute materially to the successful operation of the Group.

The Restricted Share Award Scheme shall be valid and effective for the period of 10 years commencing on the adoption date of the Restricted Share Award Scheme, after which period no further awards will be granted, but it shall not affect the subsisting rights of any selected participants.

On 1 April 2022, 2,222,222 award shares were granted to an employee of LX Shenzhen and were adjusted to 6,000,000 shares upon Capitalization Issue. The shares granted shall be vested in four equal lots on each of 1 April from 2023 to 2026 if the grantees remain as staff in the Group, there are no other vesting conditions for the shares granted under the Restricted Share Award Scheme. 3,000,000 award shares were outstanding at 30 June 2025 (at 31 December 2024: 3,000,000).

During the six months ended 30 June 2025, the Group recognised the share-based payment expenses of RMB1,525,000 in relation to the award shares granted on 1 April 2022 (six months ended 30 June 2024: RMB3,184,000). During the six months ended 30 June 2025, nil award shares (six months ended 30 June 2024: 3,000,000 award shares) were exercised and nil award shares (six months ended 30 June 2024: Nil) were forfeited. The award shares outstanding at the end of the period have a weighted average remaining contractual life of 6.83 years (30 June 2024: 7.83 years) and the weighted average exercise price is HK\$0.01 per share (six months ended 30 June 2024: HK\$0.01 per share).

On 12 January 2024, 3,251,389 award shares were granted to 245 awardees, which including two directors and 243 other employees of the Group pursuant to the RSA Scheme of the Beauty Bear Employee Incentive Plan.



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22. SHARE-BASED PAYMENT TRANSACTIONS (Continued)**Equity-settled share option scheme of the Company (Continued)*****Restricted Share Award Scheme (Continued)***

On 15 November 2024, 886,987 award shares were granted to 34 awardees, which including 34 employees of the Group pursuant to the RSA Scheme of the Beauty Bear Employee Incentive Plan. All the awards shall be vested on the first anniversary of the date of award.

During the six months ended 30 June 2025, the Group recognized the share-based payments expense of RMB2,314,000 and RMB1,475,000 in relation to the award shares granted on 12 January 2024 and 15 November 2024, respectively (six months ended 30 June 2024: RMB7,207,000 and nil). Nil award shares (six months ended 30 June 2024: Nil) was exercised and nil award shares (six months ended 30 June 2024: 13,100 award shares) were forfeited during the six months ended 30 June 2025. The award shares outstanding at the end of the period have a weighted average remaining contractual life of 8.63 years and 9.27 years in relation to the award shares granted on 12 January 2024 and 15 November 2024, respectively (six months ended 30 June 2024: 9.63 years and nil) and the weighted average exercise price is HK\$0.01 per share (six months ended 30 June 2024: HK\$0.01 per share).

22. SHARE-BASED PAYMENT TRANSACTIONS (Continued)**Fair value of share awards and assumptions**

Discounted cash flow method was used to determine the underlying equity value of the Company at grant date and the estimated fair value of the share awards granted is measured based on the binomial option pricing model. The inputs into the model were as follows:

Grant date	12 January 2024	15 November 2024
Share price on date of grant	HK\$7.25 per share	HK\$3.66 per share
Exercise price	HK\$0.01 per share	HK\$0.01 per share
Risk-free rate	3.45%	3.34%
Expected volatility (expressed as a weighted average volatility used in the modelling under binomial lattice model)	59.4%	51.4%
Expected dividend yield	0%	0%
Award life	10 years	10 years

Expected volatility was determined by using the volatility of the comparable companies' share price over the expected life of the award. Risk-free rate was determined with reference to Hong Kong Government Exchange Fund Notes with similar tenor. Dividend yield was determined with reference to the historical dividend payout of the Group.



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22. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Fair value of share awards and assumptions (Continued)

The binomial option pricing model has been used to estimate the fair value of the award shares by the qualified valuer. The variables and assumptions used in computing the fair value of the award shares are based on the directors' best estimate. The value of an award varies with different variables of certain subjective assumptions.

The number of the award shares granted expected to vest is based on the directors' best estimate on the expected percentage of eligible employees, granted on 12 January 2024 and 15 November 2024 respectively, that will remain in employment with the Group at the end of the vesting period.

23. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The Interim Financial Information were approved and authorised for issue by the board of directors on 26 August 2025.