Huashi Group Holdings Limited
华视集团控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1111)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Huashi Group Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated financial results for the six months ended 30 June 2026 (the "**Reporting Period**") of the Company and its subsidiaries (collectively, the "**Group**" or "**We**"), together with the comparative figures for the six months ended 30 June 2025 as follows:

FINANCIAL SUMMARY

	For the six months ended 30 June		
	2026	2025	Period-on-Period Changes
	(Unaudited)	(Unaudited)	
	(RMB,000,000, except for percentage)		
Revenue	**181.1**	155.4	16.5%
Gross profit	**129.2**	108.0	19.6%
Profit before income tax	**77.1**	65.0	18.6%
Profit for the period	**57.6**	53.7	7.3%
Adjusted net profit	**57.6**	53.7	7.3%

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Six Months Ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**181,127**	155,355
Cost of services		**(51,944)**	(47,393)
Gross profit		**129,183**	107,962
Other income and gains, net	*5*	**963**	364
Selling and marketing expenses		**(15,808)**	(9,182)
Administrative expenses		**(30,318)**	(24,195)
Provision for expected credit loss on financial and contract assets, net		**(4,976)**	(7,635)
Finance costs	*6*	**(1,984)**	(2,310)
Profit before income tax expense	*7*	**77,060**	65,004
Income tax expense	*8*	**(19,487)**	(11,284)
Profit for the period		**57,573**	53,720
Profit for the period attributable to:			
– Owners of the Company		**57,573**	53,720
Earnings per share attributable to owners of the Company	*10*		
– Basic and diluted *(RMB cents)*		**7.47**	6.97

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 June 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
Assets			
Non-current assets			
Plant and equipment		**76,311**	94,974
Right-of-use assets		**3,903**	4,278
Intangible assets		**61**	464
Deferred tax assets		**1,771**	6,799
Prepayments		**2,684**	1,603
		84,730	108,118
Current assets			
Trade receivables	*11*	**442,838**	384,256
Deposits, prepayments and other receivables		**72,919**	42,249
Restricted bank deposits		**–**	5,000
Cash and cash equivalents		**78,210**	120,277
		593,967	551,782
Total assets		**678,697**	659,900
Liabilities			
Current liabilities			
Trade payables	*12*	**27,580**	57,280
Accruals and other payables		**3,440**	12,346
Amount due to a shareholder		**993**	993
Contract liabilities		**13,936**	19,888
Lease liabilities		**2,290**	2,512
Borrowings	*13*	**121,840**	112,560
Current tax liabilities		**10,423**	6,766
		180,502	212,345
Net current assets		**413,465**	339,437
Total assets less current liabilities		**498,195**	447,555

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Borrowings	*13*	**15,960**	19,950
Lease liabilities		**4,255**	4,928
Deferred tax liabilities		**5,807**	8,077
		26,022	32,955
Total liabilities		**206,524**	245,300
NET ASSETS		**472,173**	414,600
Equity attributable to owners of the Company			
Share capital	*14*	**276,515**	276,515
Reserves		**195,658**	138,085
TOTAL EQUITY		**472,173**	414,600

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2026

1. GENERAL INFORMATION

The Company was incorporated as an exempted company in the Cayman Islands on 18 February 2021 with limited liability under the Companies Act (as revised) of the Cayman Islands. The address of the Company's registered office is located at 71 Fort Street, PO Box 500, George Town, Grand Cayman KY1−1106, Cayman Islands. The Company's principal place of business is located in the People's Republic of China (the "**PRC**").

The principal activity of the Company is investment holding. During the six months ended 30 June 2026, the Group was principally engaged in providing branding, advertising and marketing services and advertisement placement services in the PRC, and commenced the provision of artificial intelligence ("**AI**") application services as a new business during the period. The Group's principal activities during the six months ended 30 June 2025 were the provision of branding, advertising and marketing services and advertisement placement services in the PRC.

The Directors consider that Mr. Chen Jicheng is the ultimate beneficial owner of the Company and JaiYi Culture Media Limited, a company incorporated in the British Virgin Islands, is the immediate holding company.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "*Interim Financial Reporting*" ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of interim condensed consolidated financial statements in accordance with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses on a year-to-date basis. Actual results may differ from these estimates under different assumptions and conditions. There have been no material revisions to the nature and amount of estimates of amounts reported in prior periods.

The interim condensed consolidated financial statements are presented in Renminbi ("**RMB**"). The interim condensed consolidated financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual consolidated financial statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for a complete set of consolidated financial statements prepared in accordance with HKFRS Accounting Standards issued by the HKICPA and should be read in conjunction with the 2025 annual consolidated financial statements.

3. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in its interim condensed consolidated financial statements as in its 2025 annual financial statements, except for the following new amendments which apply for the first time in 2026. However, it is not expected to impact the Group as it is not relevant to the Group's activities.

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards −Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE

Management has determined the operating segments based on the reports reviewed by chief executive officer. The chief executive officer, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive Director of the Company.

During the six months ended 30 June 2026, the Group continued its principal activities of providing branding, advertising and marketing services and advertisement placement services in the PRC, and commenced the provision of AI application services as a new business during the period. The Group's principal activities during the six months ended 30 June 2025 were the provision of branding, advertising and marketing services and advertisement placement services in the PRC.

The major operating entity of the Group is domiciled in the PRC. Accordingly, majority of the Group's revenue were derived in the PRC for the six months ended 30 June 2026 and 2025.

As at 30 June 2026 and 31 December 2025, all of the non-current assets were located in the PRC.

Information about major customers

Revenue from external customers derived from the principal activities did not contribute more than 10% of the Group's total revenue for either of the six-month periods ended 30 June 2026 and 2025.

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties.

Revenue mainly comprises branding, event execution and production services, advertisement placement services, online media advertising services, rebates from Media Partner and AI application services.

An analysis of the Group's revenue by category for the six months ended 30 June 2026 and 2025 is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Branding services	**55,115**	52,579
Event execution and production services	**32,441**	31,037
Online media advertising services	**9,219**	17,790
Advertisement placement services	**62,762**	43,911
Rebates from Media Partner	**16,804**	10,038
AI Application	**4,786**	–
	181,127	155,355

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Services transferred over time	**92,342**	80,407
Services transferred at a point in time	**88,785**	74,948
	181,127	155,355

During the six months ended 30 June 2026 and 2025, there was no significant incremental cost to obtain a contract.

5. OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income	**43**	37
Government grants *(Note a)*	**750**	–
Exchange gain, net	**100**	228
Others	**70**	99
	963	364

Note:

(a) Government grants represented the financial support received from local government as an incentive for business development and there were no unfulfilled conditions attached to the government grants.

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on borrowings	**1,792**	2,091
Interest on lease liabilities	**192**	219
	1,984	2,310

7. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived at after charging the following:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Auditor's remuneration	**–**	237
Cost of services provided by suppliers	**51,944**	45,331
Amortisation of intangible assets	**45**	596
Depreciation of plant and equipment	**9,745**	6,517
Depreciation of right-of-use assets – Leased properties	**795**	899
Business development costs	**8,152**	8,078
Provision for expected credit loss on financial and contract assets, net	**4,976**	7,635
Short-term lease expenses	**258**	232
Staff costs (including Directors' emoluments):		
Salaries and bonus	**11,839**	9,615
Pension costs, housing funds, medical insurances and other social securities *(Note a)*	**2,166**	900
	14,005	10,515

Note:

(a) Pursuant to the relevant regulations of the PRC government, the Group participates in a central pension scheme operated by the local municipal government (the "**Scheme**"), whereby the subsidiaries in the PRC are required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries of the Company. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme. Contributions under the Scheme are charged to profit or loss as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
Tax for the current period	**20,813**	12,478
Deferred tax		
Credited to profit or loss for the period	**(1,326)**	(1,194)
	19,487	11,284

Under the Law of the PRC on Enterprise Income Tax ("**EIT**") and Implementation Regulations of the EIT Law, the tax rate of the Company's PRC subsidiaries is 25%.

Provision for the EIT for the period then ended was made based on the estimated assessable profits calculated in accordance with the relevant income tax laws, and regulations applicable to the subsidiaries operated in the PRC.

Huashi Zhongguang International Media (Wuhan) Company Limited, one of the subsidiaries of the Company, was recognised as a High and New Technology Enterprise by the relevant authorities in the PRC and was entitled to a preferential corporate income tax rate of 15% for the six months ended 30 June 2026 and 30 June 2025. The current High and New Technology Enterprise certificate is valid until November 2026. The subsidiary is in the process of applying for renewal of the certificate subsequent to the reporting period.

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

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong during the six months ended 30 June 2026 and 2025.

9. DIVIDEND

No dividend was paid or declared by the Company during the six months ended 30 June 2026 and 2025.

10. EARNINGS PER SHARE

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

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Profit for the period attributable to owners of the Company *(RMB'000)*	**57,573**	53,720
Weighted average number of shares in issue	**770,650,000**	770,650,000
Basic earnings per share *(RMB cents)*	**7.47**	6.97

Note:

Diluted earnings per share presented is the same as the basic earnings per share as there was no dilutive potential ordinary share outstanding during the six months ended 30 June 2026 (six months ended 30 June 2025: Same).

11. TRADE RECEIVABLES

	30 June 2026 ***RMB'000*** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Trade receivables	**471,622**	408,064
Less: allowance for impairment loss on trade receivables	**(28,784)**	(23,808)
	442,838	384,256

As at 30 June 2026 and 31 December 2025, the trade receivables were denominated in RMB, and the fair value of trade receivables approximated its carrying amounts.

As at 30 June 2026 and 31 December 2025, the ageing analysis of the trade receivables based on due date were as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Not past due	**442,240**	383,851
Within 90 days	**562**	380
91–180 days	**36**	25
	442,838	384,256

As at 30 June 2026 and 31 December 2025, the ageing analysis of the trade receivables based on invoice date were as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 90 days	**442,240**	383,851
91–180 days	**562**	380
181–365 days	**36**	25
	442,838	384,256

12. TRADE PAYABLES

As at 30 June 2026 and 31 December 2025, the ageing analysis of the trade payables based on services received were as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 30 days	**27,045**	48,938
31–60 days	**535**	8,342
	27,580	57,280

13. BORROWINGS

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Bank loans – guaranteed	**137,800**	132,510

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Carrying amounts repayable (based on the scheduled repayment dates set out in loan agreements):		
– Within 1 year	**121,840**	112,560
– More than 1 year, but not exceeding 2 years	**15,960**	19,950
	137,800	132,510
Less: Portion due on demand or within one year under current liabilities	**(121,840)**	(112,560)
Portion due over one year under non-current liabilities	**15,960**	19,950

Notes:

(i) The weighted-average effective interest rates of the borrowings were 3.31% and 3.32% per annum as at 30 June 2026 and 31 December 2025 respectively.

(ii) As at 30 June 2026 and 31 December 2025, banking facilities of the Group totalled RMB157.8 million and RMB137.5 million respectively. They were utilised to the extent of RMB137.8 million and RMB132.5 million respectively.

(iii) As at 30 June 2026 and 31 December 2025, none of the bank loans of the Group were subject to covenants or repayable on demand clauses.

(iv) As at 30 June 2026 and 31 December 2025, all the bank loans were guaranteed by a controlling shareholder of the Group and subsidiaries of the Group.

14. SHARE CAPITAL

	Number	Amount	Amount
		US$'000	*RMB'000*
Issued and fully paid			
Ordinary shares of US$0.05 each			
At 1 January 2025, 30 June 2025,			
1 January 2026, and 30 June 2026	**770,650,000**	**38,533**	**276,515**

15. EVENTS AFTER THE END OF REPORTING PERIOD

The Group has no significant event after the end of the reporting period that needs to be disclosed.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Summary

The Group is a branding, advertising and intelligent marketing service provider located in Hubei Province, the PRC. By integrating media resources and leveraging AI technology, the Group provides full value chain services ranging from market research (through cooperation with research institutions) to branding, advertising and marketing project execution, as well as customized AI solutions, and assists brand owners, advertisers and advertising agencies in formulating and implementing effective service solutions to achieve their promotional needs, marketing objectives and intelligent upgrade needs, thereby helping enhance the influence of their brands among target audiences and strengthen the competitiveness and market share of their products or services.

Since 2026, the external environment has remained complex and changing as the growth momentum has decelerated due to the slowdown in global economic recovery, coupled with monetary uncertainties and geopolitical conflicts. China's economy has shown its strong resilience against this backdrop. According to the National Bureau of Statistics, in the first half of 2026, China's GDP grew by 4.7% year-on-year, with the economy performing generally steadily. Meanwhile, China continues to advance its "AI+" initiative. A meeting of the Political Bureau of the Central Committee has elevated the "AI+" initiative from "comprehensive implementation" to "in-depth implementation", driving the deep integration of AI with all sectors of the real economy and fostering new forms of the smart economy. The marketing industry is experiencing a wave of intelligent transformation, with demand for digital and intelligent services continuing to grow.

In a challenging market environment, the Group has remained closely aligned with policy directions and industry trends, continuously deepening business transformation and innovation, resolutely advancing its dual strategies of AI-driven transformation and overseas expansion, and pursuing the coordinated development of optimizing existing operations and fostering new growth through innovation. With AI technology as our core driving force, on the one hand, we are consolidating our existing business strengths, leveraging AI to empower traditional marketing operations and enhance service efficiency and customer value; on the other hand, we are actively expanding our portfolio of innovative businesses, such as AI digital human and AI robots, to create new engines of growth.

We continued to strengthen our core business capabilities by leveraging our in-depth research into customers' industries and insights into consumer behaviours to formulate advertising strategies and creative content solutions. Through integrated marketing initiatives and event planning and execution, we assisted our customers in enhancing their brand awareness and market influence. Meanwhile, we provided customers with precise advertisement placement services through major media platforms, leveraging AI technologies to optimize placement strategies and improve conversion efficiency, while generating rebate income through our media procurement scale. While consolidating cooperation with existing customers, we continued to expand our service coverage across industries by engaging in in-depth communication and cooperation with customers from sectors including aviation, smart exhibition halls and state-owned enterprises, accurately matching customer needs and providing intelligent marketing service solutions. In line with the Group's overseas expansion strategy, we carried out business cooperation with the TikTok platform, providing professional overseas digital marketing services to advertisers covering account opening and management, placement strategy optimisation, account agency operation and TikTok Shop agency operation, helping advertisers efficiently access overseas traffic channels and achieve dual improvement in overseas brand exposure and commercial conversion.

During the Reporting Period, the Group's subsidiary, Huashi Yueqing (Shenzhen) Technology Co., Ltd. (華視悅青(深圳)科技有限公司) officially commenced its operations. As an important vehicle for the Group's AI innovation business, it has assembled a professional team responsible for technology research and development ("**R&D**") as well as new business incubation. The Group continued to advance the implementation of various AI-related businesses, with the commercialization of its core AI products achieving phased progress. The product matrix of "Huashi•ShanBAO (華視•閃BAO)" continued to be enhanced. Leveraging technologies such as Artificial Intelligence Generated Content ("**AIGC**") and multimodal interaction, it enables a closed-loop process covering data insights, personalized content generation, precise scenario-based deployment and data feedback to optimize models, catering to diverse application scenarios including smart government services, digital cultural tourism and brand marketing. In February this year, we initiated the Qingchuan Robot autonomous ecosystem and launched our first robot band, further enhancing our product portfolio. In June, we introduced the AI intelligent terminal "ShanBAO Claw (閃寶Claw)", an important extension of our product matrix, which can be widely applied in various scenarios including enterprise office operations and business services. We also established the Huashi AI Business School, with the first corporate AI implementation training programme officially launched in Shenzhen, providing customers with customized AI system development and training services to facilitate their intelligent transformation.

During the Reporting Period, the Group recorded total revenue of RMB181.1 million and the total contract value signed with customers was RMB935.3 million, of which 98.0% (approximately RMB916.8 million) of services had been provided to customers.

Branding Services

The Group is deeply engaged in the branding services industry, conducting in-depth analysis of changes in industry trends and business models, and providing highly customized branding service solutions to customers. The scope of our services includes: (i) conducting in-depth research and analysis of the market in which our customers' brands operate with precise brand insights; (ii) planning of brand development strategies for our customers, and providing advice on core values of brands, brand positioning and target customers; (iii) design of brand image; and (iv) formulation of products and/or services marketing and promotional plans. During the Reporting Period, the Group's revenue from branding service business amounted to RMB55.1 million, representing a 4.8% increase year-on-year.

Leveraging digital technology strategies, the dual-driver approach combining AI technology enablement and scenario innovation to promote the intelligent upgrade of its branding services. We have achieved standardised output in areas such as creative planning, script generation, intelligent editing and marketing copywriting, further enhancing creative efficiency and service quality. During the Reporting Period, we gained in-depth insights into our clients' brand essence and established partnerships with high-value clients in sectors such as high-end equipment manufacturing and financial services, delivering multiple brand promotional video works that maintained a high standard of creative quality, effectively improving clients' brand communication efficiency and audience reach. Leveraging our years of accumulated market insight and the service model of "technology + scenarios", we have integrated cross-sector government-enterprise cooperation resources, maintained a diversified client portfolio, and continued to explore and realise sustained growth in user value.

Online Media Advertising Services

The online media advertising services provided by the Group mainly include exploring the marketing needs of customers, analysing the behaviour and preference of consumers, providing suggestions on advertising strategies, analysing and selecting the online platforms, obtaining the resources and executing the advertisement placement and effectiveness monitoring and evaluation. The Group offers two major forms of online media advertising as follows: (i) display advertising; and (ii) search engine advertising. As the Group's cooperation with China's top internet enterprises continues to deepen, our media resource matrix extensively covers major regions in China and consumers of various age groups. During the Reporting Period, the revenue from online media advertising services business amounted to RMB9.2 million, representing a 48.2% decrease year-on-year.

In response to the dynamic changes in the online traffic environment, the Group continued to deepen its cooperation with leading internet platforms and focus its high-quality media resources on providing clients with more precise cross-platform placement options. By analysing consumer behaviour across different audience segments, the Group matched the core functions of clients' products with platform traffic characteristics, delivered tailored media mix proposals, and established a closed-loop service spanning demand decomposition, media selection, placement execution and performance review. Meanwhile, the Group enhanced the application of AI technologies in advertising strategy formulation, graphic and video content creation, and placement execution, thereby enhancing project delivery efficiency and improving the precision of advertising placement. On the basis of consolidating existing high-quality clients, the Group explored client opportunities in industries such as new consumption and internet services, continuously improving the service quality of its online media advertising business.

Event Execution and Production Services

The event execution and production services provided by the Group are designed to help clients promote brand concepts, enhance brand awareness, build brand image, and achieve marketing objectives and effects. They covers all phases of organizing marketing campaigns, including (i) formulating campaign strategies; (ii) devising design of the programmes, work plans and rundown of events; (iii) executing the projects through procuring materials and engaging third-party service providers; (iv) assisting with project management and supervising the execution of marketing campaigns; and (v) evaluating the effectiveness of the marketing campaigns through public opinion. During the Reporting Period, revenue from event execution and production services amounted to RMB32.4 million, representing a 4.5% increase year-on-year.

As market demands for creativity and experience in offline brand activities continue to rise, integrated planning and on-site execution capabilities have become increasingly critical. The Group integrates innovative design, immersive experiences and brand interaction thinking, and leverages AI technology to optimise scene construction and interactive experience processes, thereby creating measurable brand value for clients. Relying on offline physical event scenarios to generate high-quality content assets, and combining digital communication means to achieve long-term reuse and secondary dissemination of content, we continuously reach potential audiences, effectively enhancing event communication coverage and marketing conversion efficiency. For different industry scenarios and marketing objectives, we establish dedicated service teams, implement refined project management and resource coordination, and continuously accumulate end-to-end event marketing service capabilities.

Advertisement Placement Services

The Group provides advertisement placement services, which comprise formulating online advertisement plan, maintaining the accounts of the customers opened at the advertising platforms of the Media Partners *(Note 1)* and arranging advertisement placement on the designated online media platforms of the Media Partners according to the requests of our customers. As an ancillary service, we also design and produce short advertisement videos based on the request of our customers. The Media Partners would charge us primarily based on a mixed basis of CPC, CPT and CPM *(Note 2)*, while we would charge our customers a fee comprising (i) the cost for placing the advertisement on the online media platforms charged by the Media Partners based on the above pricing mechanisms (i.e. CPC, CPT and CPM); (ii) our service fee for advertisement placement and other related services, which is equivalent to a certain percentage of the costs of advertisement placement on the online media platforms of the Media Partners; and (iii) the rebates we offered to our customers. During the Reporting Period, revenue from the advertisement placement services business amounted to RMB62.8 million, representing a 42.9% increase year-on-year.

The Group has established end-to-end service capabilities spanning from advertising placement execution to resource conversion, built on data insights and a commitment to strategic innovation. During the Reporting Period, we focused on an integrated marketing model of "celebrity endorsement + live-streaming operations". Through scenario-based content planning and refined paid traffic coordination, we helped clients achieve dual breakthroughs in brand-performance synergy and sales conversion. At key marketing milestones of the project, we assisted a personal care brand client in precisely targeting festive consumption scenarios and product efficacy positioning, and adopted a three-stage strategy of "pre-heat – burst – long tail", ultimately achieving a win-win outcome with both return on investment ("**ROI**") and gross merchandise volume ("**GMV**") exceeding expectations, while also accumulating reusable creative asset templates and advertising placement methodologies. Leveraging our mature digital marketing service experience, we have actively expanded into overseas markets and deeply rooted ourselves in the TikTok traffic ecosystem. Targeting the diverse needs of advertisers in their overseas operations, we have provided one-stop implementation services, helping them quickly tap into incremental overseas markets. Based on our existing overseas operational resources and experience, the Group has also completed the preliminary layout of its cross-border e-commerce self-operated business, further enriching the Group's overseas business system. In addition, we expanded cooperation resources with leading technology platforms and entered into a partnership agreement with Beijing Volcano Engine Technology Co., Ltd. (北京火山引擎科技有限公司). Going forward, we will leverage the advantages of both parties' technology and traffic resources to continuously optimise advertising placement strategies and execution paths, providing clients with more tailored cross-platform and cross-scenario solutions and continuously driving the advertising placement business towards intelligent and refined upgrading.

Notes:

1. "Media Partners" refers to several Chinese internet technology companies which operate various popular online media platforms in the PRC.

2. "CPC" refers to Cost Per Click, a pricing model in which payment is made for each click of an advertisement; "CPM" refers to Cost Per Mille, a pricing model in which payment is made for every thousand views of an advertisement; "CPT" refers to Cost Per Time, a time-based pricing model in which advertisement fees are paid at a fixed price within a given period.

AI Application

The Group's AI application business focuses on the R&D of AI technologies and their scenario-based implementation, aiming to provide customers with integrated hardware-and-software AI products and comprehensive solutions, assisting customers in advancing intelligent upgrades and enhancing operational efficiency. Its products and services include: (i) R&D, sales and supporting services of AI smart hardware, covering a wide range of AI hardware products and related technical support; (ii) SaaS cloud subscriptions, software system licensing and custom development, supporting various AI technical capabilities such as multimodal interaction, AIGC, intelligent agents and computing resource scheduling; (iii) customised AI solution services, catering to the intelligent needs of different business scenarios; and (iv) AI transformation advisory and operation support services. During the Reporting Period, the AI application business generated revenue of RMB4.8 million.

During the Reporting Period, the Group stepped up its integrated hardware-and-software R&D investment in the AI application segment, accelerating product iteration and commercialisation practices. We refined and optimised the AI digital human solution, featuring core capabilities such as image and voice customisation, industry knowledge base configuration, and multimodal intelligent interaction. Leveraging diverse terminal carriers, we advanced project implementations in scenarios including government affairs exhibition halls and online live streaming. In the AI robotics field, we laid out product directions including robot bands and standard humanoid robots, featuring multi-instrument collaborative performance capabilities. Through leasing and performance service models, we rolled out several demonstration projects such as the "2026 Wuhan Marathon," "CMS Wuhan Auto Show," and "Singapore National Day 61st Anniversary Performance", delivering on-site services including stage performances and guest reception interactions. We also launched the portable AI smart terminal "Shanbao Claw (閃寶Claw)", which integrates voice capture, AI transcription and intelligent task processing capabilities. Without relying on a mobile app, it enables meeting recording, automatic minutes generation and task orchestration through voice commands, accompanied by cloud storage and multi-device collaboration capabilities. This product expands the Group's product matrix in the enterprise office sector. As an important vehicle for the Group's external empowerment of AI capabilities, we launched the Huashi AI Business School at the Shenzhen Global Innovation Centre in June this year, focusing on providing AI transformation consulting, hands-on training and enterprise-level AI system deployment services to government and corporate clients. As of the date of this announcement, the Business School has cumulatively held 20 sessions of AI practical training camps at its Shenzhen base and conducted 10 sessions of customised on-site enterprise training across multiple cities nationwide, assisting clients in building industry knowledge bases, deploying position-specific intelligent agents, and initially realising the implementation of a digital employee system for enterprises. During the Reporting Period, the product portfolio of the AI business segment continued to improve, with steady enhancements in customer coverage and commercialisation capabilities.

BUSINESS OUTLOOK

The Group will remain closely aligned with policy directions and industry-wide trends towards intelligence, uphold an innovation-driven approach, consolidate its competitive edge in its core business, advance the implementation of its dual strategies of AI-driven transformation and overseas expansion, deepen the application of AI technology across the entire value chain, and enhance its resilience in the competitive market. We will take the following actions:

(i) Deepening AI technology R&D and commercialization. The Group believes that AI is transitioning from the technology validation stage to the commercial application stage. We will increase R&D investment in technology areas such as AIGC video generation, multimodal interaction and industry-specific vertical large models, enrich our AI product matrix, accelerate the large-scale commercialization of core AI products, and actively explore emerging business areas such as AI computing power services, thereby driving steady growth of our AI business;

(ii) Upgrading marketing services through digital and intelligent technologies. We will continue to expand partners across diversified sectors. Supported by our AI digital human system and intelligent terminals, we will provide customers with intelligent solutions and customized integrated marketing services based on industry scenarios, helping customers reduce operating costs and enhance conversion efficiency;

(iii) Strengthening regional penetration and market expansion. While consolidating our market advantages in Hubei Province, we will use the Shenzhen Global Innovation Centre as a pivot and leverage the Guangdong-Hong Kong-Macao Greater Bay Area to carry out cutting-edge technology R&D and industrial ecosystem cooperation, thereby broadening the geographical coverage of our services. We will also continue to develop our overseas business. Building on our deep roots in the TikTok ecosystem, we will actively expand our self-operated cross-border e-commerce business, forming a dual-track overseas expansion model of "marketing services + self-operated sales" to tap into the overseas digital marketing market;

(iv) Optimizing cost structure and operational efficiency. We will continue to apply AI technology across the entire business process, establish a collaborative working model of "natural persons + intelligent agents", deploy intelligent agents to handle standardized and repetitive work, and free up human resources to focus on high-value business activities, thereby enhancing workforce productivity. We will also optimize budget and resource allocation, strictly control non-core expenditure, and maintain sound operating quality; and

(v) Building a pipeline of interdisciplinary talent. We will continue to expand our team of professionals with combined technology and marketing expertise, broadly recruit professionals in technology, operations, and marketing, establish a systematic talent development system, and strengthen the team's technology implementation capabilities and scenario-based innovation.

FINANCIAL REVIEW

Starting from the first half of 2026, the Group has adjusted its revenue presentation to more clearly reflect the value and growth drivers of each business segment. With the full-scale advancement of the AI-driven transformation strategy, the Group has continued to promote the commercialisation of AI innovation businesses. On the basis of retaining the original business segments, a new "AI Application" segment has been added and reported separately, in order to highlight the strategic position of the AI business as the Group's emerging growth engine. As "AI Application" is a new business classification added during the Reporting Period and the relevant business was not separately broken out in the comparative period, no restatement of the revenue breakdown for prior periods is required.

The Group generated revenue primarily from the following services to customers, which include the provision of (i) branding services; (ii) online media advertising services; (iii) event execution and production services; (iv) advertisement placement services (including rebates from Media Partners); and (v) AI Application. During the Reporting Period, our total revenue increased by 16.5% from RMB155.4 million for the six months ended 30 June 2025 to RMB181.1 million.

Revenue Breakdown by Service Type

The table below sets forth the breakdown of our revenue and percentage contribution to our total revenue by business segments for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
		Approximate % of total revenue		Approximate % of total revenue
	RMB'000 **(unaudited)**	**%**	*RMB'000* (unaudited)	%
Branding services	**55,115**	**30.4**	52,579	33.8
Event execution and production services	**32,441**	**17.9**	31,037	20.0
Advertisement placement services (i)	**62,762**	**34.7**	43,911	28.3
Rebates from Media Partners (i)	**16,804**	**9.3**	10,038	6.5
Online media advertising services (ii)	**9,219**	**5.1**	17,790	11.4
AI Application	**4,786**	**2.6**	–	–
Total	**181,127**	**100**	155,355	100

During the Reporting Period, the revenue from the businesses of “Branding Services”, “Event Execution and Production Services”, “Advertisement Placement Services” and “Rebates from Media Partners” recorded significant year-on-year growth, which was attributable to the Group’s proactive efforts in expanding its business and building up a solid relationship with more new customers. The revenue from the “Rebates from Media Partners” business recorded a year-on-year increase, which was mainly attributable to the year-on-year growth in the “Advertisement Placement Services” business, which in turn contributed to the increase in the number of advertisements placed by the Company on the major online media platforms of our Media Partners, and the corresponding increase in the rebates from the Media Partners to the Group. The revenue from “Online Media Advertising Services” decreased year-on-year, which was mainly due to the Group’s strategic shift to focus on developing its “Advertisement Placement Services” business.

(i) For our “Advertisement Placement Services” (including Rebates from Media Partners), we recognised revenue on a net basis.

(ii) For the relevant advertising agents under “Online Media Advertising Services”, we recognised revenue on a net basis. In accordance with HKFRS 15, for the six months ended 30 June 2025 and the Reporting Period, the direct costs incurred for our “Online Media Advertising Services” provided to the relevant advertising agents had been deducted from the total revenue to derive the revenue from these services on a net basis. Other than the above-mentioned costs paid to the suppliers, no other direct costs were incurred by us in relation to the “Online Media Advertising Services” provided to the relevant advertising agents.

Cost of Services

The Group’s cost of services increased from RMB47.4 million for the six months ended 30 June 2025 to RMB51.9 million for the Reporting Period, primarily attributable to “Branding Services” and “Event Execution and Production Services” recording year-on-year growth in revenue, with the costs of these services also increasing year-on-year.

Gross Profit and Gross Profit Margin

The Group's overall gross profit and gross profit margin for the six months ended 30 June 2025 and the Reporting Period were affected by our cost of services, which were project specific and affected by our services mix, customised services we provided and scale of each project. As a result, the Group's gross profit and gross profit margin may vary from project to project.

The Group's gross profit increased from RMB108.0 million for the six months ended 30 June 2025 to RMB129.2 million for the Reporting Period, and the gross profit margin increased from 69.5% for the six months ended 30 June 2025 to 71.3% for the Reporting Period, mainly due to the fact that revenue from "Advertisement Placement Services" is recognised on a net basis, and that revenue increased year-on-year.

Other Income and Gains, Net

The Group's other income and gains, net increased from RMB0.4 million for the six months ended 30 June 2025 to RMB0.96 million for the Reporting Period, primarily attributable to government grants of RMB0.75 million received during the Reporting Period.

Selling and Marketing Expenses

The Group's selling and marketing expenses increased from RMB9.2 million for the six months ended 30 June 2025 to RMB15.8 million for the Reporting Period, mainly due to (i) the expansion of our business which led to an increase in the number of employees in our sales and media operations teams, resulting in higher salaries and daily expense reimbursements; and (ii) the increase in office equipment in line with our business expansion, resulting in higher equipment depreciation expenses.

Administrative Expenses

The Group's administrative expenses increased from RMB24.2 million for the six months ended 30 June 2025 to RMB30.3 million for the Reporting Period, primarily due to an increase in salaries and the reimbursement of day-to-day expenses resulting from the expansion of the management team and the workforce as part of business expansion.

Liquidity and Capital Resources

As at 30 June 2026, the Group's cash and cash equivalents amounted to RMB78.2 million (denominated in RMB, HK$ and US$), representing a decrease of RMB42.1 million as compared with RMB120.3 million (denominated in RMB, HK$ and US$) as at 31 December 2025, primarily due to the increase in trade receivables as a result of the increase in the Group's business volume.

During the Reporting Period, the Group financed our operation needs primarily through cash flows from operating activities and borrowings. The Group derived its cash flows from operating activities principally from the revenue of its principal activities. The Group will monitor our working capital positions from time to time to ensure maintaining sufficient cash resources for daily operations and capital expenditure needs.

Income Tax Expense

The Group's PRC corporate income tax expense increased from RMB11.3 million for the six months ended 30 June 2025 to RMB19.5 million for the Reporting Period, which was mainly due to the two different income tax rates applicable to subsidiaries within the Group – namely, a standard rate of 25% and a preferential rate of 15% – with the proportion of business conducted during the Reporting Period by subsidiaries within the Group subject to the preferential income tax rate of 15% being lower than that for the six months ended 30 June 2025.

Profit for the Reporting Period

As a result of the foregoing, for the six months ended 30 June 2025 and the Reporting Period, (i) the Group's profit was RMB53.7 million and RMB57.6 million, respectively; and (ii) the net profit margin (i.e. profit divided by revenue) was 34.6% and 31.8%, respectively.

Capital Structure

As at 30 June 2026 and up to the date of this announcement, the authorised share capital of the Company was US$50,000,000 divided into 1,000,000,000 shares of US$0.05 each, and the issued share capital of the Company was US$38,532,500 divided into 770,650,000 shares of US$0.05 each. There was no change to the authorised share capital and issued share capital of the Company during the Reporting Period.

Gearing Ratio

As at 30 June 2026, the Group's total borrowings were RMB137.8 million (loans were denominated in RMB). Among those borrowings, 12% were classified as non-current liabilities, and 88% were classified as current liabilities.

As at 30 June 2026, the gearing ratio of the Group (being the sum of total bank and other borrowings, lease liabilities and amount due to a shareholder divided by total equity multiplied by 100%) decreased to 30.8% from 34% as at 31 December 2025. Such decrease was mainly due to the decrease in lease liabilities and an increase in total equity.

Pledge of Assets

As at 30 June 2026, the Group had no pledged assets.

Foreign Exchange Risk Management

Foreign exchange risk refers to the risk of loss due to changes in foreign currency exchange rates. The Group's business is principally operated in the PRC and most of the transactions are denominated and settled in RMB. The Group will closely monitor the relevant situation and take certain measures when necessary to ensure that the foreign exchange risk is within the controllable range. During the Reporting Period, the Group did not use any financial instruments for hedging purposes.

Employees

As of 30 June 2026, the Group had 274 full-time employees, all of whom are based in the PRC. The Group enters into a standard employment contract with each of our full-time employees with terms covering, among other things, position, salaries, employment term, working hours, leave arrangements and other benefits. The remuneration package the Group offers to our employees includes basic salary and discretionary bonuses. In general, we determine our employees' salaries based on, amongst others, their qualifications, seniority, working hours, performance, our financial performance and market wages. We generally review the performance of our employees, which forms the basis of our decisions with respect to salary adjustments, bonuses and promotions annually. During the Reporting Period, the total staff remuneration expenses (including Directors' emoluments) amounted to RMB14.0 million (six months ended 30 June 2025: RMB10.5 million).

Capital Expenditure

During the Reporting Period, the Group did not incur capital expenditures. The Group's capital expenditure decreased from RMB44.5 million for the six months ended 30 June 2025 to RMB0 million for the Reporting Period, which was primarily due to the fact that no capital expenditure was planned for the Reporting Period. The Group financed its capital expenditure mainly through internal resources and bank borrowings.

Contingent Liabilities

As of 30 June 2026, the Group did not have any significant contingent liabilities.

Material Acquisitions, Disposals of Subsidiaries, Associates and Joint Ventures and Material Investments

During the Reporting Period, the Group did not have material acquisitions or disposals of subsidiaries, associates and joint ventures and did not hold any material investments.

Use of the Net Proceeds from the Global Offering

The shares of the Company were listed on the Main Board of the Stock Exchange on 10 November 2023. The Company issued 125,000,000 shares in the Global Offering at the offer price of HK$1.04 per share. The Group received net proceeds from the Global Offering (after deducting underwriting fees and commissions and other expenses payable by the Group in connection with the Global Offering) of approximately HK$72.1 million.

For details on the use of net proceeds and the expected timeline for the unutilised funds, please refer to the Company's interim report for the six months ended 30 June 2026, which will be published in due course.

Future Plans for Material Investments or Capital Assets

As at the date of this announcement, the Group had no detailed future plans for any material investments or capital assets.

Events after the Reporting Period

There have been no significant matters subsequent to the Reporting Period and up to the date of this announcement.

Interim Dividend

The Board does not recommend the payment of any interim dividend for the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to protect the interests of shareholders and enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code of governance.

During the Reporting Period, except for deviations from Code Provisions C.1.7 and C.2.1 of the CG Code, the Company has complied with all applicable code provisions set out in the CG Code.

Under Code Provision C.1.7 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its Directors. Currently, the Company does not have insurance cover for legal action against its Directors. Every Director is, subject to the provisions of the applicable laws, indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities he/she may sustain or incur in or about the execution of his/her office or otherwise in relation thereto pursuant to the Articles of Association of the Company. However, as the Company considers that its risk management and internal control systems are effective and constantly under review, and as all the executive Directors and management are familiar with the operation of the Group, the Company believes that the risk of the Directors being sued or getting involved in litigation in their capacity as Directors is relatively low, and hence the Company is of the view that the benefits of the insurance may not outweigh the cost.

Under Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer shall be separated and shall not be performed by the same individual. Mr. Chen Jicheng ("**Mr. Chen**") is the chairman and chief executive officer of the Company and the roles of Mr. Chen have not been separated in accordance with Code Provision C.2.1 of the CG Code.

In view of the fact that Mr. Chen has been responsible for the day-to-day operation and management of the Group since February 2011, and has accumulated extensive experience and knowledge in our business, the Board believes that Mr. Chen can undertake effective management and business development in both roles, which is in the best interests of the Group. Accordingly, the Directors are of the opinion that the deviation from Code Provision C.2.1 of the CG Code is appropriate under such circumstance. The Board considers that this management structure is effective for the business operation of the Group and can form sufficient checks and balances.

The Group will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by all Directors and relevant employees (as defined in the Model Code). Having made specific enquiry of all Directors, each of the Directors has confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period.

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

During the Reporting Period, neither the Company nor any of its subsidiaries or any of its consolidated affiliated entities purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 30 June 2026, the Company did not hold any treasury shares (as defined in the Listing Rules).

AUDIT COMMITTEE

The Board has established the audit committee ("**Audit Committee**") pursuant to Rules 3.21 and 3.22 of the Listing Rules and Code Provision D.3 of the CG Code with written terms of reference adopted. The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company respectively.

During the Reporting Period, the Audit Committee comprised three independent non-executive Directors (i.e. Dr. He Weifeng, Mr. Peng Litang and Mr. Li Guangdou). Dr. He Weifeng is currently the chairman of the Audit Committee and has the appropriate professional qualifications.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Reporting Period, including the applicable accounting policies and accounting standards adopted by the Group, and is of the opinion that these statements have been prepared in compliance with the applicable Listing Rules. The Audit Committee is satisfied that these financial statements have been prepared in accordance with the applicable accounting standards and present fairly the financial position and results of the Group for the Reporting Period.

Publication of Interim Results Announcement and 2026 Interim Report

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.youmeimu.com), and the interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be despatched to the shareholders (if requested) and published on the above websites in due course.

By Order of the Board
Huashi Group Holdings Limited
Chen Jicheng
Chairman and Chief Executive Officer

Wuhan, the PRC, 31 August 2026

As at the date of this announcement, the Board comprises Mr. Chen Jicheng, Ms. Chen Jizhen, Mr. Zhang Bei and Ms. Xue Yuchun as executive Directors; and Dr. He Weifeng, Mr. Peng Litang and Mr. Li Guangdou as independent non-executive Directors.