



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
2026

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Hu Zuoxiong
Mr. Chen Xiuwei
Mr. Cao Weijun
Ms. Chen Shuang

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

COMPANY SECRETARY

Mr. Liu Yan
Ms. Cheung Ka Lun Karen
(Resigned with effect from 30 April 2026)

AUTHORISED REPRESENTATIVES

Mr. Hu Zuoxiong
Mr. Liu Yan

ALTERNATE AUTHORISED REPRESENTATIVE

Ms. Cheung Ka Lun Karen
(Resigned with effect from 30 April 2026)

REGISTERED OFFICE

PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Maling District, Meilin Street
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Shenzhen
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 5–6, 22/F
Prosperity Centre
No. 25 Chong Yip Street
Kwun Tong

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**

Certified Public Accountants
23/F, Tower 2, Enterprise Square Five
38 Wang Chiu Road, Kowloon Bay
Kowloon
Hong Kong

LEGAL ADVISOR

As to Hong Kong Laws

Jingtian & Gongcheng LLP

Suite 3203–3209, 32/F
Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

PRINCIPAL BANKERS**Bank of China Limited**

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International Financial Building
No. 2022 Jianshe Road
Luohu District
Shenzhen
Guangdong
China

China Merchants Bank

Shenzhen Branch
China Merchants Bank Shenzhen
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No. 2016 Shennan Boulevard
Futian District
Shenzhen
Guangdong
China

STOCK CODE

2436

WEBSITE

www.bearrental.com

Definitions

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

2025 Annual Report	the annual report of the Company for the year ended 31 December 2025
AI	artificial intelligence
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
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
Capitalization 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)
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 Vertex Horizon 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

Definitions

IFRS	International Financial Reporting Standards
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
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
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 of and operated in parallel with GEM of the Stock Exchange
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
Oasis Meridian	Oasis Meridian Ventures Limited, formerly Bear Family Technology Limited, a company incorporated in the BVI with limited liability on 29 October 2021
Period or Reporting Period	the six months ended 30 June 2026
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

Definitions

RSA Scheme	the restricted share award scheme under the Vertex Horizon 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
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
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 Vertex Horizon 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
Vertex Horizon	Vertex Horizon Ventures Limited, formerly Beauty Bear Technology Limited, a company incorporated in the BVI with limited liability on 29 October 2021
Vertex Horizon Employee Incentive Plan	the employee incentive plan consisting of the Vertex Horizon 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, formerly Beauty Bear Employee Incentive Plan
Vertex Horizon Share Option Scheme	the share option scheme under the Vertex Horizon Employee Incentive Plan adopted by the Board pursuant to the written resolutions passed on 1 April 2022, formerly Beauty Bear Share Option Scheme

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I am pleased to present the interim results of the Group for the six months ended 30 June 2026. During the Period, the Group delivered a notable improvement in its financial performance, driven by the rapid growth of its computing power infrastructure-related DLM solutions and continued optimisation of its existing business operations.

BUSINESS HIGHLIGHTS

The Group recorded remarkable increases in gross profit and net profits to approximately RMB180.8 million and approximately RMB20.6 million, respectively, representing an increase of approximately 77.4% and 319.8%, respectively, as compared to the corresponding period in 2025.

The improvement in the Group's financial performance was primarily attributable to the rapid growth of its computing power infrastructure-related products and services offerings, which provides dedicated and scalable computing capacity to customers. Meanwhile, the Group continued to optimise its device recycling business by focusing on higher-value and higher-margin products and solutions.

RETURN OF VALUE TO SHAREHOLDERS

The Board remains committed to enhancing Shareholder value and believes that the Company's share buy-back programme represents an important component of its capital management strategy. Following the previously announced budget of up to HK\$200 million for the buy-back of the Shares, the Board has further approved to increase the buy-back budget by HK\$100 million, bringing the total buy-back budget to HK\$300 million.

The Board considers that the share buy-back programme reflects its confidence in the Group's business prospects, financial position and long-term growth potential. Subject to applicable laws, regulations, the Listing Rules and market conditions, the Company will continue to adopt a disciplined approach to share buy-backs, with the objective of enhancing long-term Shareholder value and improving returns to Shareholders.

MARKET OUTLOOK AND STRATEGY

The Board believes that the rapid advancement and commercialisation of AI is driving a structural increase in demand for computing power infrastructure. Globally, investment in AI infrastructure has accelerated significantly, while in China, the continued implementation of the "AI+" initiative and development of intelligent computing infrastructure are expected to further stimulate demand for computing capacity and related services.

Against this favourable backdrop, the Group will continue to accelerate the development of its computing power infrastructure-related products and services offerings. Leveraging its established capabilities in DLM, hardware sourcing, refurbishment, deployment, recycling and technical services, the Group aims to provide customers with flexible and scalable computing resources throughout the computing power infrastructure lifecycle.

Chairman's Statement

The Group will also continue to strengthen its existing end-user IT device subscription, IT technical services subscription and device recycling businesses, with a focus on improving operational efficiency, enhancing margins and allocating resources towards higher-value opportunities.

Looking ahead, the Board is positive about the Group's growth prospects. The Group will continue to capitalise on the accelerating demand for AI and computing power infrastructure, expand its customer base and service capabilities, and pursue a growth-oriented strategy to build a more scalable, higher-value and sustainable business platform.

On behalf of the Board, I would like to express my appreciation to our Shareholders, customers, business partners and employees for their continued support. The Group looks forward to building on the momentum achieved during the Period and delivering sustainable long-term value to its stakeholders.

Hu Zuoxiong

Chairman

LX Technology Group Limited

Shenzhen, the PRC, 27 August 2026

Management Discussion and Analysis

BUSINESS REVIEW

Overview

We are a leading device lifecycle management solution provider in the PRC. We are committed to delivering high-quality device recycling, device subscription and IT technical subscription services to our customers, while continuously evolving our business model in response to changing market demand and technological development.

The Group continued to make significant progress in the first half of 2026, with the rapid development of our DLM solutions business relating to computing power infrastructure becoming a key growth driver of the Group. Against the backdrop of the accelerating adoption of AI, increasing demand for computing power and the continuous expansion of AI-related applications, the Group has strategically expanded its computing power offerings, which are progressively becoming an increasingly important component of our business portfolio. The strong development of the relevant business has enabled the Group to capture new market opportunities beyond traditional personal computer-related businesses, while contributing to higher growth potential and improved overall profit margins. The Group estimates that its computing power infrastructure-related products and services generated revenue of approximately RMB614.8 million, accounting for approximately 57% of the Group's total revenue for the six months ended 30 June 2026.

The Group's business underwent active and continuous optimisation during the Period. We remained focused on refining our business mix, allocating resources towards businesses with stronger growth prospects and higher value-added potential, and enhancing operational efficiency across our existing businesses. Through the ongoing optimisation of our product and service offerings, customer structure and internal processes, the Group has strengthened its ability to respond swiftly to market changes and improve the quality and sustainability of its earnings.

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 and accessories 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 and accessories. The device recycling business provides us with a stable source of de-commissioned devices and accessories.
- *Device subscription services.* Our device subscription services primarily include selecting IT devices (including brand-new devices and de-commissioned devices after refurbishment) and accessories 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 RMB755.5 million, representing a decrease of approximately 10.9% as compared to approximately RMB848.1 million for the same period in 2025.

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

	Six months ended 30 June		
	2026	2025	Growth Rate
Number of devices sold (device)	192,310	424,710	-54.7%
Number of device recycling customers	1,973	1,570	25.7%
Average revenue per device recycling customer (RMB)	382,905	540,206	-29.1%
Average sales value (RMB/device)	969	1,513.5	-36.0%

Note: Operating data was calculated based on whole unit IT devices, exclusive of individual/spare parts and accessories.

Device subscription business

For the Period, the Group's revenue from device subscription business amounted to approximately RMB214.7 million, representing an increase of approximately 11.9% as compared to approximately RMB191.9 million for the same period in 2025.

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		
	2026	2025	Growth Rate
Revenue from device subscription services (RMB'000)	214,668	191,914	11.9%
— Brand-new devices	173,355	154,945	11.9%
— Second-hand devices	41,313	36,969	11.8%
Total device subscription volume (device)	3,412,960	3,475,364	-1.8%
— Brand-new devices	2,909,544	2,803,650	3.8%
— Second-hand devices	503,416	671,714	-25.1%
Total number of devices available for subscription	640,723	624,210	2.6%

Management Discussion and Analysis

IT technical subscription services

For the Period, the Group's revenue from IT technical subscription services amounted to approximately RMB113.2 million, representing a significant increase of approximately 47.7% as compared to approximately RMB76.6 million for the same period in 2025.

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		
	2026 (RMB'000)	2025 (RMB'000)	Growth Rate
Revenue from IT technical subscription services	113,158	76,633	47.7%
— Long-term subscriptions	75,450	59,608	26.6%
— Short-term subscriptions	37,708	17,025	121.5%

Future Outlook

The rapid development of the computing power market presents significant opportunities for the Group. The advancement of generative AI, large language models, intelligent applications and other AI technologies is driving an unprecedented increase in demand for computing power, while enterprises across different industries are accelerating their digital transformation and AI adoption. This trend is expected to continue to underpin demand for high-performance computing resources, flexible computing solutions and related technical services. In particular, the growing need for accessible and scalable computing capacity creates substantial opportunities for service providers capable of integrating computing hardware, technical expertise and flexible service models. The Group believes that its experience in DLM, technical services and subscription-based business models provides a solid foundation for developing its computing power products and services offerings and capturing the growing demand for AI-driven computing infrastructure.

Looking ahead, the Group will continue to place greater emphasis on the development of its computing power business, actively capture opportunities arising from the rapid growth of AI and computing demand, and further optimise its business portfolio and operational structure. At the same time, the Group will continue to enhance its service capabilities, strengthen customer engagement and improve operational efficiency, with a view to achieving higher-quality growth, improving profitability and creating sustainable long-term value for the Shareholders and other stakeholders of the Company.

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				
	2026		2025		Growth Rate
	RMB'000	%	RMB'000	%	%
Revenue					
Device recycling income	755,472	69.7	848,124	76.0	-10.9
Device subscription services	214,668	19.8	191,914	17.2	11.9
— Long-term device subscription	173,944	16.0	168,450	15.1	3.3
— Short-term device subscription	40,724	3.8	23,464	2.1	73.6
IT technical subscription services	113,158	10.5	76,633	6.8	47.7
Total	1,083,298	100	1,116,671	100	-3.0

For the Period, the total revenue of the Group was approximately RMB1,083.3 million (30 June 2025: approximately RMB1,116.7 million), representing a slight decrease of approximately 3.0% as compared with the same period in 2025, mainly attributable to the strategic shift of focus to segments with higher profit margin and growth potential.

Device recycling income

The decrease in the device recycling income during the Period as compared with the same period in 2025 was mainly due to the decrease in engagement in recycling of tablet computers and mobile phones. Revenue generated from such activities decreased from approximately RMB413.8 million for the six months ended 30 June 2025 to approximately RMB54.6 million for the Period, as the Group shifted its focus towards IT devices and accessories with higher profit margins and growth potential.

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				
	2026		2025		Growth Rate
	RMB'000	%	RMB'000	%	%
Tablet computers and mobile phones	54,618	7.2	413,813	48.8	-86.8
Laptop computers and other IT devices	700,854	92.8	434,311	51.2	61.4
Total	755,472	100	848,124	100	-10.9

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 2025 was mainly due to the expansion of our computing power infrastructure subscription offerings led by the growing demand of customers with the needs for dedicated and scalable computing capacity for their AI and other computing-intensive applications.

Revenue from IT technical subscription services

The significant increase in revenue from IT technical subscription services during the Period as compared with the same period in 2025 was primarily attributable to the growth of our computing power related technical subscription service offerings.

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			
	2026		2025	
	RMB'000	%	RMB'000	%
Shenzhen	819,017	75.6	893,391	80.0
Shanghai	76,267	7.0	95,070	8.5
Wuhan	22,097	2.0	20,498	1.8
Beijing	60,146	5.6	52,570	4.7
Guangzhou	38,387	3.6	22,068	2.0
Others ⁽¹⁾	67,384	6.2	33,074	3.0
Total	1,083,298	100.0	1,116,671	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 RMB902.5 million for the Period (30 June 2025: approximately RMB1,014.8 million). The decrease in cost of sales during the Period as compared to the same period in 2025 was in line with the decrease in our revenue and was mainly attributable to the decrease in cost of inventory sold from approximately RMB818.6 million for the six months ended 30 June 2025 to approximately RMB702.0 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			
	2026	Gross profit margin	2025	Gross profit margin
	Gross profit RMB'000	%	Gross profit RMB'000	%
Device recycling income	48,183	6.4	4,396	0.5
Device subscription services	65,248	30.4	51,700	26.9
IT technical subscription services	67,352	59.5	45,798	59.8
Total	180,783	16.7	101,894	9.1

Our gross profit represents our revenue less our cost of sales. For the Period, our gross profit was approximately RMB180.8 million, representing a substantial increase of approximately 77.4% as compared with approximately RMB101.9 million for the same period in 2025, primarily attributable to the rapid expansion of the Group's computing power infrastructure-related device lifecycle management solutions business, which has higher profit margins and has become an increasingly significant contributor to the Group's revenue and profitability. The gross profit margin of the Group increased from approximately 9.1% for the six months ended 30 June 2025 to approximately 16.7% for the Period.

Device recycling business

We recorded gross profit of approximately RMB48.2 million for the Period as compared with approximately RMB4.4 million for the corresponding period in 2025 in our device recycling business. Our gross profit margin of device recycling business was approximately 6.4% for the Period as compared to approximately 0.5% for the six months ended 30 June 2025. The improvement in gross profit and gross profit margin of the device recycling business segment was primarily attributable to a favourable change in the product mix within the segment, as the Group continued to focus on higher-value and higher-margin products and solutions, resulting in an increased contribution from such products to the segment's overall revenue and profitability during the Period.

Device subscription services

The gross profit of device subscription services increased from approximately RMB51.7 million for the six months ended 30 June 2025 to approximately RMB65.2 million for the Period, primarily attributable to the expansion of product offerings for subscriptions towards computing power infrastructure which has higher profit margin. Our gross profit margin of device subscription services increased from approximately 26.9% for the six months ended 30 June 2025 to approximately 30.4% for the Period. The average monthly utilisation rates of our major types of devices for subscription increased from approximately 88.8% for the six months ended 30 June 2025 to approximately 91.9% for the Period.

Management Discussion and Analysis

IT technical subscription services

The gross profit of IT technical subscription services increased from approximately RMB45.8 million for the six months ended 30 June 2025 to approximately RMB67.4 million for the Period. Our gross profit margin of IT technical subscription services slightly decreased from approximately 59.8% for the six months ended 30 June 2025 to approximately 59.5% for the Period.

Other Income

Other income decreased by approximately 73.6% from approximately RMB13.1 million for the six months ended 30 June 2025 to approximately RMB3.4 million for the Period as we received less government subsidies during the Period.

Distribution and selling expenses

The distribution and selling expenses slightly increased by approximately 0.9% from approximately RMB62.1 million for the six months ended 30 June 2025 to approximately RMB62.6 million for the Period, owing to the increase in share-based payment by approximately RMB0.7 million. Our distribution and selling expenses as a percentage of revenue increased from approximately 5.6% for the six months ended 30 June 2025 to approximately 5.8% for the Period.

Administrative Expenses

The administrative expenses decreased by approximately 9.4% from approximately RMB42.5 million for the six months ended 30 June 2025 to approximately RMB38.5 million for the Period, primarily due to the decrease in professional fees and share-based payment by approximately RMB2.3 million and RMB1.5 million, respectively. Our administrative expenses as a percentage of revenue decreased from approximately 3.8% for the six months ended 30 June 2025 to approximately 3.6% for the Period.

Research and Development Expenses

The research and development expenses increased by approximately 16.3% from approximately RMB9.0 million for the six months ended 30 June 2025 to approximately RMB10.5 million for the Period, primarily due to the increase in share-based payment by approximately RMB2.1 million. Our research and development expenses as a percentage of revenue increased from approximately 0.8% for the six months ended 30 June 2025 to approximately 1.0% for the Period.

Finance Costs

The finance costs increased by approximately 19.4% from approximately RMB25.0 million for the six months ended 30 June 2025 to approximately RMB29.8 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 RMB6.4 million as compared to approximately RMB0.8 million for the six months ended 30 June 2025.

Management Discussion and Analysis

Profit and Total Comprehensive Income 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 RMB21.1 million for the Period as compared to approximately RMB5.7 million for the six months ended 30 June 2025, primarily due to the increase in gross profit during the Period as discussed above.

Adjusted Profit

The adjusted profit (a non-IFRS measure) for the Period was approximately RMB46.4 million as compared to approximately RMB18.6 million for the six months ended 30 June 2025.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation

The adjusted EBITDA (a non-IFRS measure) for the Period increased by approximately 11.9% from approximately RMB194.1 million for the six months ended 30 June 2025 to approximately RMB217.2 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, 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	
	2026 RMB'000	2025 RMB'000
Reconciliation of profit for the period and adjusted profit (a non-IFRS measure)		
Profit for the period	20,603	4,908
Non-IFRS measure:		
Adjusted profit		
Add:		
Share-based payments expenses	10,928	9,585
Foreign exchange loss	14,895	4,152
Non-IFRS measure:		
Adjusted profit	46,426	18,645
Reconciliation of profit for the period and adjusted EBITDA (a non-IFRS measure)		
Profit for the period	20,603	4,908
Add:		
Income tax credit	(6,449)	(823)
Finance costs	29,845	25,000
Interest income	(536)	(1,014)
Depreciation of property, plant and equipment and right-of-use assets	143,313	147,752
Amortisation of intangible assets	4,569	4,569
Non-IFRS measure:		
EBITDA	191,345	180,392
Add:		
Share-based payment expenses	10,928	9,585
Foreign exchange loss	14,895	4,152
Non-IFRS measure:		
Adjusted EBITDA	217,168	194,129

Current Assets

As at 30 June 2026, the current assets of the Group were approximately RMB1,295.2 million, representing an increase of approximately 26.5% as compared with approximately RMB1,023.8 million as at 31 December 2025. As at 30 June 2026, the current ratio (current assets divided by current liabilities) of the Group was approximately 1.1 times (31 December 2025: approximately 1.3 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 increased from approximately RMB721.6 million as at 31 December 2025 to approximately RMB1,015.2 million as at 30 June 2026, as we purchased more equipment during the Period.

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 RMB121.9 million as at 31 December 2025 to approximately RMB325.1 million as at 30 June 2026, 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 RMB139.9 million as at 31 December 2025 to approximately RMB131.7 million as at 30 June 2026, which was in line with the decrease in revenue during the Period.

Other Receivables, Deposits and Prepayments

Our other receivables, deposits and prepayments increased from approximately RMB95.1 million as at 31 December 2025 to approximately RMB305.5 million as at 30 June 2026, primarily due to the increase in advances to suppliers and value-added tax receivables as at 30 June 2026.

Trade Payables

Trade payables represent procurements payable to suppliers for the purchase of IT devices. As at 30 June 2026, trade payables amounted to approximately RMB156.9 million, representing an increase of approximately RMB32.4 million as compared with approximately RMB124.5 million as at 31 December 2025, as we purchased more IT devices which is in line with the increase in our inventories as at 30 June 2026.

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 2026, other payables and accruals amounted to approximately RMB79.7 million, representing a decrease of approximately RMB3.0 million as compared with approximately RMB82.7 million as at 31 December 2025, as we recorded decrease in accrued staff costs and retirement benefit scheme contributions as at 30 June 2026.

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 RMB354.6 million as at 30 June 2026 (31 December 2025: approximately RMB481.7 million). The decrease in bank balance and cash were mainly attributable to the funding for expansion in business operation relating to computing power infrastructure and share buy-back during the Period. As at 30 June 2026, 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 2026, we had bank borrowings with a carrying amount of approximately RMB1,048.4 million (as at 31 December 2025: approximately RMB507.3 million) and other borrowings of approximately RMB357.0 million (as at 31 December 2025: approximately RMB327.9 million), such borrowings comprise (i) approximately RMB1,399.0 million (as at 31 December 2025: approximately RMB819.2 million) of unsecured and guaranteed bank and other borrowings; and (ii) approximately RMB6.4 million (as at 31 December 2025: approximately RMB16.0 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 3.0% to 8.7% per annum (as at 31 December 2025: 3.1% to 8.7% per annum). Our borrowings were all denominated in Renminbi and carried borrowing terms ranging from one year to three years.

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 2026 was 196.7% (as at 31 December 2025: 112.0%).

Contingent Liabilities and Commitments

We did not have any material contingent liabilities as at 30 June 2026.

Charges of Assets

As at 30 June 2026, certain Group's borrowings are secured by IT devices with net book value of approximately RMB22.3 million (31 December 2025: RMB25.4 million).

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 2026, the Group had 969 full-time employees (as at 31 December 2025: 950 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 RMB82.8 million (for the six months ended 30 June 2025: approximately RMB86.6 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 Vertex Horizon Employee Incentive Plan (formerly the 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 2026 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 four executive Directors (including Mr. Hu) 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 practices, 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 of C.1.3 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 enquiries.

Corporate Governance and Other Information

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (30 June 2025: 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 Capitalization 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 grant under the LX Brothers Employee Incentive Plan since the Listing Date. 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 2026	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 2026
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
3. Ms. Chen Shuang	1 April 2022	118,191 ⁽¹⁾	—	29,548 ⁽²⁾	—	—	118,191
Employee participants							
Other Employees	1 April 2022	13,432,053 ⁽³⁾	—	2,357,064 ⁽²⁾	—	1,182	13,430,871
Total		17,769,966	—	3,103,854	—	1,182	17,768,784

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 13,432,053 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 9,510,677 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\$11.17.

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 40 to the consolidated financial statements in the 2025 Annual Report.

2. Vertex Horizon Employee Incentive Plan (formerly Beauty Bear Employee Incentive Plan)

On 1 April 2022, the Company adopted the Beauty Bear Employee Incentive Plan. On 24 July 2026, the name of the employee incentive plan has been changed to Vertex Horizon Employee Incentive Plan. The Vertex Horizon Employee Incentive Plan consists of a share option scheme (i.e. the Vertex Horizon Share Option Scheme) and a restricted share award scheme (i.e. the RSA Scheme). On the Listing Date, 30,000,000 Shares in aggregate were allotted and issued to Vertex Horizon, which is wholly-owned by Teeroy Trust.

2.1 Vertex Horizon Share Option Scheme

The number of Shares in respect of which options are available for grant under the Vertex Horizon Share Option Scheme as at 1 January 2026 and 30 June 2026 was 35,325,900. From the adoption date of the Vertex Horizon Share Option Scheme and up to 30 June 2026, no option has been granted or agreed to be granted under the Vertex Horizon 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, 15 November 2024 and 23 January 2026, 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 participants and movements of the awards granted during the Reporting Period are as follows:

Categories of Grantee	Date of grant	Outstanding balance as at 1 January 2026	Granted during the Period	Purchased during the Period	Vested during the Period	Cancelled during the Period	Lapsed during the Period	Outstanding balance as at 30 June 2026
1. Directors								
Mr. Chen Xiuwei	12 January 2024	10,500 ⁽¹⁾⁽⁶⁾⁽⁷⁾	—	—	—	—	—	10,500
	23 January 2026	—	210,300 ⁽⁴⁾⁽⁶⁾⁽⁷⁾	—	—	—	—	210,300
Mr. Cao Weijun	12 January 2024	19,500 ⁽¹⁾⁽⁶⁾⁽⁷⁾	—	—	—	—	—	19,500
Ms. Chen Shuang	12 January 2024	7,500 ⁽¹⁾⁽⁶⁾⁽⁷⁾	—	—	—	—	—	7,500
	23 January 2026	—	25,500 ⁽⁴⁾⁽⁶⁾⁽⁷⁾	—	—	—	—	25,500
2. Employee participants								
Mr. Hua	1 April 2022	3,000,000 ⁽²⁾⁽⁵⁾⁽⁸⁾	—	3,000,000 ⁽¹⁾	1,500,000 ⁽¹²⁾	—	—	—
Employees other than disclosed above	12 January 2024	3,158,589 ⁽¹⁾⁽⁶⁾⁽⁸⁾	—	—	930,672 ⁽¹³⁾	—	—	3,158,589
	15 November 2024	886,387 ⁽⁶⁾⁽⁷⁾	—	—	—	—	—	886,387
	23 January 2026	—	1,095,300 ⁽⁴⁾⁽⁶⁾⁽⁷⁾	—	—	—	27,300	1,068,000
Total		7,082,476	1,331,100	3,000,000	2,430,672	—	27,300	5,386,276

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 closing price on the date immediately before the awards were granted (i.e. 22 January 2026) was HK\$14.1 per Share.
- (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 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.
- (6) 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.
- (7) Subject to the vesting conditions being met, the awards shall vest on the first anniversary of the date of grant.
- (8) 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.

Corporate Governance and Other Information

- (9) Subject to the vesting conditions being met, out of these 3,158,589 awards granted, (i) 655,900 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.
- (10) Save as disclosed above, all awards granted are not subject to any other performance targets.
- (11) The weighted average closing price of the Shares immediately before the dates on which the awards were purchased was HK\$22.3.
- (12) The weighted average closing price of the Shares immediately before the dates on which the awards were vested was HK\$11.17.
- (13) The weighted average closing price of the Shares immediately before the dates on which the awards were vested was HK\$11.76.

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 21 to the consolidated financial statements in this report and note 40 to the consolidated financial statements in the 2025 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 Vertex Horizon on trust for the benefit of the participants of the Vertex Horizon Employee Incentive Plan. 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 2026 and as at 30 June 2026 were 25,243,424 and 23,939,624, respectively.

As at 30 June 2026, no additional Shares may be issued in respect of the options and awards granted under all Employee Incentive Plans. The total number of Shares that may be issued in respect of options and awards granted under all Employee Incentive Plans during the Period divided by the weighted average number of Shares in issue for the Period is 0.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As at 30 June 2026, 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⁾	75,107,558 Shares (L)	21.26%
	Beneficial owner ⁽³⁾	4,542,718 Shares (L)	1.29%
	Total	79,650,276 Shares (L)	22.55%
Mr. Chen Xiuwei	Beneficial owner ⁽³⁾⁽⁴⁾	1,571,554 Shares (L)	0.44%
Mr. Cao Weijun	Beneficial owner ⁽⁴⁾	2,831,324 Shares (L)	0.80%
Ms. Chen Shuang	Beneficial owner ⁽³⁾⁽⁴⁾	151,191 Shares (L)	0.04%

Corporate Governance and Other Information

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Oasis Meridian is interested in 75,107,558 Shares and Oasis Meridian is wholly owned by Mr. Hu. By virtue of the SFO, Mr. Hu is deemed to be interested in the Shares held by Oasis Meridian.
- (3) Each of Mr. Hu, Mr. Chen Xiuwei and Ms. Chen Shuang has been granted options with respect to 2,868,968, 1,350,754 and 118,191 outstanding Shares under the LX Brothers Employee Incentive Plan. These Shares are currently held by Tricor Trust. For details, please refer to the section headed "Employee Incentive Plans — 1. LX Brothers Employee Incentive Plan" in this interim report.
- (4) Each of Mr. Chen Xiuwei, Mr. Cao Weijun and Ms. Chen Shuang has been granted awards with respect to 220,800, 19,500 and 33,000 outstanding Shares under the RSA Scheme. These Shares are currently held by Teeroy Trust. For details, please refer to the section headed "Employee Incentive Plans — 2.2 The RSA Scheme" in this interim report.
- (5) Calculated on the basis of 353,259,000 Shares in issue (including treasury shares) as at 30 June 2026.

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	Oasis Meridian	Beneficial owner	1 share (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 2026, 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 2026.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

So far as our Directors are aware, as at 30 June 2026, the following persons (other than the Directors or chief executive of the Company) had an interest or short positions in the Shares or underlying Shares as recorded 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 ⁽⁵⁾
Oasis Meridian	Beneficial owner	75,107,558 Shares (L)	21.26%
Mr. Hua	Interest in a controlled corporation ⁽³⁾	18,528,528 Shares (L)	5.25%
	Beneficial owner ⁽³⁾	6,000,000 Shares (L)	1.70%
	Total	24,528,528 Shares (L)	6.94%
Vertex Horizon	Beneficial owner ⁽²⁾	24,000,000 Shares (L)	6.79%
Teeroy Trust	Trustee ⁽²⁾	24,000,000 Shares (L)	6.79%
LX Brothers	Beneficial owner ⁽⁴⁾	17,880,602 Shares (L)	5.06%
Tricor Trust	Trustee ⁽⁴⁾	17,880,602 Shares (L)	5.06%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) The entire issued share capital of Vertex Horizon is held by Teeroy Trust, who was entrusted by the Company to hold such Shares for the Vertex Horizon Employee Incentive Plan.
- (3) 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 Vertex Horizon Employee Incentive Plan, all of which have been purchased by Mr. Hua.
- (4) 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.
- (5) Calculated on the basis of 353,259,000 Shares in issue (including treasury shares) as at 30 June 2026.

Save as disclosed herein, as at 30 June 2026, our Directors are not aware of any persons (other than the Directors or chief executive of the Company) who had an interest 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

During the six months ended 30 June 2026, the Company bought back a total of 3,888,600 Shares on the Stock Exchange at an aggregate consideration of approximately HK\$78.1 million (the **"Shares Bought Back"**) to create higher value to the Shareholders. Particulars of the Shares Bought Back are as follows:

Month of buy back	No. of Shares bought back	Price paid per Share		Aggregate consideration (HKD million)
		Highest (HKD)	Lowest (HKD)	
April	918,900	15.31	13.21	13.8
May	1,378,500	23.96	15.29	27.7
June	1,591,200	26.08	20.18	36.6

Save as disclosed above, 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 2026, the Company holds 3,888,600 treasury shares. The Company intends to use the treasury shares for cancellation, sale or transfer (including transfer for the use of the Employee Incentive Plans or as consideration Shares in transactions) based on market conditions and the capital needs of the Group that may arise from time to time.

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

The Group has no future plans 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.

Corporate Governance and Other Information

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.

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 2026, 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 2026

	Notes	Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(unaudited)	(unaudited)
REVENUE	4	1,083,298	1,116,671
Cost of sales		(902,515)	(1,014,777)
GROSS PROFIT		180,783	101,894
Other income	5	3,444	13,050
Other gains and losses	6	(29,161)	33,266
Reversal of impairment losses/(impairment losses)			
under expected credit loss model, net of reversal		1,552	(5,492)
Distribution and selling expenses		(62,632)	(62,102)
Administrative expenses		(38,528)	(42,531)
Research and development expenses		(10,469)	(9,000)
Finance costs	7	(29,845)	(25,000)
Share of loss of an associate		(990)	—
PROFIT BEFORE TAX	8	14,154	4,085
Income tax credit	9	6,449	823
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		20,603	4,908
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
ATTRIBUTABLE TO:			
Owners of the Company		21,066	5,655
Non-controlling interests		(463)	(747)
		20,603	4,908
EARNINGS PER SHARE	11		
— Basic (RMB)		0.07	0.02
— Diluted (RMB)		0.06	0.02

Condensed Consolidated Statement of Financial Position

as at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Non-current assets			
Property, plant and equipment and right-of-use assets	12	1,015,249	721,561
Goodwill		21,204	21,204
Intangible assets		8,225	12,794
Deposits paid for acquisition of property, plant and equipment and intangible assets		33,950	9,534
Other receivables, deposits and prepayments	14	8,176	5,994
Restricted deposits		12,338	10,120
Deferred tax assets		16,744	11,364
Investment in an associate		4,297	5,287
Total non-current assets		1,120,183	797,858
Current assets			
Inventories		325,082	121,949
Trade and lease receivables	13	131,707	139,893
Other receivables, deposits and prepayments	14	297,283	89,087
Financial assets at fair value through profit or loss ("FVTPL")		198,850	201,301
Restricted deposits		8,087	11,087
Cash and cash equivalents		334,188	460,477
Total current assets		1,295,197	1,023,794
Current liabilities			
Trade payables, other payables and accruals	15	236,587	207,181
Tax liabilities		99	52
Borrowings	16	927,561	555,331
Lease liabilities		6,431	5,507
Contract liabilities		30,923	3,219
Total current liabilities		1,201,601	771,290
Net current assets		93,596	252,504
Total assets less current liabilities		1,213,779	1,050,362

Condensed Consolidated Statement of Financial Position

as at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Non-current liabilities			
Borrowings	16	477,851	279,833
Lease liabilities		18,443	20,874
Deferred tax liabilities		2,937	4,250
Total non-current liabilities		499,231	304,957
NET ASSETS		714,548	745,405
Capital and reserves			
Share capital	17	3,158	3,158
Reserves		706,678	742,772
		709,836	745,930
Non-controlling interests		4,712	(525)
TOTAL EQUITY		714,548	745,405

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2026

	Attributable to owners of the Company									Total equity
	Paid-up			Statutory		Share-based			Non-	
	capital/share	Treasury	Share	surplus	Other	payments	Accumulated	Total	controlling	
	capital	shares	premium*	reserve*	reserves*	reserve*	losses*	equity	interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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 (unaudited)	—	—	—	—	—	—	—	—	23,014	23,014
Recognition of equity-settled share-based payments (note 21)										
(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
At 1 January 2026 (audited)	3,158	—	1,286,041	6,735	50,925	162,078	(763,007)	745,930	(525)	745,405
Total comprehensive income/(expense) for the period (unaudited)	—	—	—	—	—	—	21,066	21,066	(463)	20,603
Capital contribution by non-controlling shareholders	—	—	—	—	—	—	—	—	5,700	5,700
Recognition of equity-settled share-based payments (note 21)										
(unaudited)	—	—	—	—	—	10,928	—	10,928	—	10,928
Exercise of share awards (unaudited)	—	—	13,620	—	—	(13,594)	—	26	—	26
Purchase of own shares (note 22)	—	(68,114)	—	—	—	—	—	(68,114)	—	(68,114)
At 30 June 2026 (unaudited)	3,158	(68,114)	1,299,661	6,735	50,925	159,412	(741,941)	709,836	4,712	714,548

* 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 2026

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Net cash (used in)/generated from operating activities	(133,286)	201,131
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	536	1,014
Purchase of property, plant and equipment	(472,111)	(128,274)
Proceeds on disposal of property, plant and equipment	13,294	18,315
Deposits paid for acquisition of property, plant and equipment and intangible assets	(24,416)	(33)
Other investing activities	5,457	3,155
Acquisition of a subsidiary	—	(23,630)
Net cash used in investing activities	(477,240)	(129,453)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(29,230)	(25,000)
Contribution from non-controlling shareholders	5,700	—
Repayments of borrowings	(431,357)	(410,626)
Repayments of lease liabilities	(2,868)	(4,135)
New borrowings raised	1,001,929	453,729
Payments for repurchase of shares	(68,114)	—
Net cash generated from financing activities	476,060	13,968
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(134,466)	85,646
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	460,477	276,940
Effect of foreign exchange rate changes	8,177	2,421
CASH AND CASH EQUIVALENTS AT END OF PERIOD, represented by	334,188	365,007
Bank balances and cash	334,188	365,007

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

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 (“**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 has not included all information and disclosures required in a full set of financial statements, and should be read in conjunction with the Group’s 2025 annual consolidated financial statements for the year ended 31 December 2025 (“**2025 Annual Report**”). The accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with those used in 2025 Annual Report.

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 2026. 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.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

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

For the six months ended 30 June 2026

	Device recycling business RMB'000 (unaudited)	Device subscription services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Device recycling income			
— Mobile devices	54,618	—	54,618
— Non-mobile devices	700,854	—	700,854
Device subscription services			
— Short-term device subscription	—	40,724	40,724
— Long-term device subscription	—	173,944	173,944
IT technical subscription services	—	113,158	113,158
	755,472	327,826	1,083,298

Note: The Group recorded RMB614,849,000 in revenue from computing power infrastructure-related products and services, accounting for approximately 57% of total revenue for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB3,892,000).

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

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

Geographical information

	Revenue from external customers		Non-current assets	
	Six months ended		As at	As at
	30 June		30 June	31 December
	2026	2025	2026	2025
	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
PRC	1,041,629	1,103,867	1,076,990	763,795
Hong Kong	41,669	12,804	5,935	6,585
	1,083,298	1,116,671	1,082,925	770,380

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.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

4. SEGMENT INFORMATION AND REVENUE (Continued)**Information about major customers**

Revenue from customers of the corresponding periods contributing over 10% of the total sales of the Group is as follows:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Customer A	125,304	N/A*

Note: Revenue from customer A is derived from device recycling business. During the six months ended 30 June 2026 and 2025, no other customers contributed over 10% of the total revenue of the Group.

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the six months ended 30 June 2025.

Revenue**Disaggregation of revenue from contracts with customers**

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Type of goods or services		
Device recycling income	755,472	848,124
IT technical subscription services	113,158	76,633
Short-term device subscription	40,724	23,464
Total	909,354	948,221
Timing of revenue recognition		
At a point in time	755,472	848,124
Over time	153,882	100,097
	909,354	948,221

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

4. SEGMENT INFORMATION AND REVENUE (Continued)**Revenue (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	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Device recycling income	755,472	848,124
Device subscription services	153,882	100,097
Revenue from contracts with customers	909,354	948,221
Lease income from device subscription services	173,944	168,450
Total revenue	1,083,298	1,116,671

5. OTHER INCOME

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Interest income	536	1,014
Government subsidies (<i>note</i>)	15	9,524
Compensation income from customers	2,856	2,387
Sundry income	37	125
	3,444	13,050

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 2026

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Dividend income	4,664	5,165
Gain on disposal of property, plant and equipment	35	135
Loss on termination of lease	(32)	—
Foreign exchange loss	(14,895)	(4,152)
Fair value change of financial assets at FVTPL	(18,933)	32,118
	(29,161)	33,266

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expenses on borrowings	29,230	24,618
Interest expenses on lease liabilities	615	382
	29,845	25,000

8. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Directors' emoluments	3,832	2,785
Depreciation of property, plant and equipment and right-of-use assets	143,313	147,752
Amortisation of intangible assets	4,569	4,569
Gain on disposal of property, plant and equipment	(35)	(135)
Write-down of inventories	3,446	2,735
Cost of inventories recognised as an expense	600,059	801,226

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

9. INCOME TAX CREDIT

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax:		
PRC Enterprise Income Tax	126	8
Hong Kong Profits Tax	118	—
Deferred tax	(6,693)	(831)
	(6,449)	(823)

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% to the six months ended 30 June 2026 and 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 Technology (Shenzhen) Co., Ltd. ("**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 2026 and 2025. The latest approval for LX Shenzhen enjoying this tax benefit was obtained in November 2023 for the financial years of 2024, 2025 and the portion of the financial year 2026 up to the certificate's expiry in November 2026.

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 at 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 2026 and 2025.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

10. DIVIDEND

No dividend has been declared or paid by the Company since its incorporation in respect of the six months ended 30 June 2026 and 2025, nor has any dividend been proposed since the end of the Reporting Period.

11. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings for the period attributable to owners of the Company		
for the purpose of basic and diluted earnings per shares	21,066	5,655
	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of		
basic earnings per share	308,055,437	308,378,399
Effect of dilutive potential ordinary shares:		
— Share options and share awards	24,871,008	21,353,356
Weighted average number of ordinary shares for the purpose of		
diluted earnings per share	332,926,445	329,731,755

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

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

During the six months ended 30 June 2026, the Group acquired property, plant and equipment at a total cost of RMB472,111,000 (six months ended 30 June 2025: RMB128,556,000).

During the six months ended 30 June 2026, property, plant and equipment with a carrying amount of RMB13,259,000 (six months ended 30 June 2025: RMB18,180,000) were disposed of by the Group, resulting in a gain on disposals of RMB35,000 (six months ended 30 June 2025: RMB135,000).

During the six months ended 30 June 2026, the Group has entered into several new lease agreements for the use of offices and warehouses for 1 to 3 years (six months ended 30 June 2025: 2 to 5 years). On the lease commencement or lease renewal, the Group recognised right-of-use assets of RMB1,962,000 (six months ended 30 June 2025: RMB11,210,000) and a corresponding adjustment of the same amount to lease liabilities during the six months ended 30 June 2026. During the six months ended 30 June 2026, the Group terminated certain lease arrangements which constituted lease modifications. The reduction of the Group's lease liabilities of RMB1,158,000 and a corresponding adjustment of the right-of-use assets of RMB1,190,000 were recognised and resulted in loss on termination of leases of RMB32,000 recognised in profit or loss during the six months ended 30 June 2026 (six months ended 30 June 2025: the Group has not terminated any lease arrangement which constituted lease modifications).

13. TRADE AND LEASE RECEIVABLES

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Trade and lease receivables		
— third parties	154,349	163,409
— related parties	—	678
	154,349	164,087
Less: allowance for expected credit losses	(22,642)	(24,194)
	131,707	139,893

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

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 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Within 3 months	117,134	126,668
More than 3 months but within 6 months	5,188	3,837
More than 6 months but within 1 year	6,193	3,250
Over 1 year	3,192	6,138
	131,707	139,893

Note: The Group had 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 20.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Prepayment for operating expenses	11,793	12,836
Rental deposits	2,268	2,264
Advances to suppliers	183,034	20,411
Value-added tax receivables	90,566	46,459
Other deposits paid	12,988	4,383
Others	4,810	8,728
	305,459	95,081
Represented by:		
— non-current	8,176	5,994
— current	297,283	89,087
	305,459	95,081
— third parties	305,459	86,446
— related parties (note)	—	8,635
	305,459	95,081

Note: The Group had 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 20.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

15. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Trade payables	156,899	124,487
Other payables and accruals		
Accrued staff costs and retirement benefit scheme contributions	27,328	39,570
Advance from leasing customers under device subscription service	26,300	24,058
Other tax payables	7,209	6,173
Secured and other deposits received	12,154	6,953
Accrued expenses	6,697	5,940
	79,688	82,694
	236,587	207,181
Represented by:		
— third parties	236,587	206,628
— related parties (note)	—	553
	236,587	207,181

Note: The Group had 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 20.

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 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Within 6 months	127,412	101,521
6–12 months	6,629	537
Over 1 year	22,858	22,429
	156,899	124,487

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

16. BORROWINGS

During the six months ended 30 June 2026, the Group obtained new borrowings of RMB1,001,929,000 as additional working capital (six months ended 30 June 2025: RMB453,729,000) and made repayments of borrowings of RMB431,357,000 (six months ended 30 June 2025: RMB410,626,000).

Total borrowings amount to approximately RMB1,405,412,000, comprising RMB1,398,992,000 of unsecured guaranteed borrowings and RMB6,420,000 of secured guaranteed borrowings (as at 31 December 2025: RMB819,240,000 and RMB15,924,000, respectively).

17. SHARE CAPITAL

	Number of shares	Share capital HK\$	Share capital RMB'000
Authorized			
Ordinary shares of HK\$0.01 each			
At 1 January 2025, 31 December 2025 (audited),			
1 January 2026 and 30 June 2026 (unaudited)	1,000,000,000	10,000,000	8,370
Issued and fully paid			
At 1 January 2025, 31 December 2025 (audited),			
1 January 2026 and 30 June 2026 (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 2026 RMB'000 (unaudited)	As at 31 December 2025 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	39,054	16,520

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

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 2026:

Description	Fair value measurement using:			Total As at 30 June 2026
	Level 1 RMB'000 (unaudited)	Level 2 RMB'000 (unaudited)	Level 3 RMB'000 (unaudited)	RMB'000 (unaudited)
Recurring fair value measurements:				
Financial assets at FVTPL	198,850	—	—	198,850
	198,850	—	—	198,850

Disclosures of level in fair value hierarchy at 31 December 2025:

Description	Fair value measurement using:			Total As at 31 December 2025
	Level 1 RMB'000 (audited)	Level 2 RMB'000 (audited)	Level 3 RMB'000 (audited)	RMB'000 (audited)
Recurring fair value measurements:				
Financial assets at FVTPL	201,301	—	—	201,301
	201,301	—	—	201,301

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

20. 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	
		2026 RMB'000 (unaudited)	2025 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
	— IT technical subscription services	—	198
	Purchase of IT equipment from related parties	—	6,575
	Services received from related parties		
	— Marketing and promotion services	—	35
	— Maintenance services	—	1,503

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	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Short-term employee benefits	3,142	2,499
Post-employment benefits	116	75
Equity-settled share-based payments expenses	2,446	1,254
	5,704	3,828

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

21. 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 following table discloses movements of the Company's share options held by eligible directors and employees of the Group during the current period:

	Number of share options	
	1/1/2026 to 30/6/2026	1/1/2025 to 30/6/2025
Outstanding at the beginning of the period	17,769,966	17,783,685
Forfeited during the period	(1,182)	(12,663)
Outstanding at the end of the period	17,768,784	17,771,022

The Group recognised total expenses of approximately RMB2,937,000 (six months ended 30 June 2025: RMB4,328,000) relating to share option payment transactions for the six months ended 30 June 2026.

Vertex Horizon Employee Incentive Plan (formerly Beauty Bear Employee Incentive Plan)

Beauty Bear Employee Incentive Plan was 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 have made or may make to the Group. On 24 July 2026, the name of the employee incentive plan has been changed to Vertex Horizon Employee incentive Plan. The Vertex Horizon 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.

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21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)**Equity-settled share option scheme of the Company (Continued)*****Vertex Horizon Employee Incentive Plan (formerly Beauty Bear Employee Incentive Plan) (Continued)***

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

No options were granted under the Vertex Horizon Employee Incentive Plan during the six months ended 30 June 2026.

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 RSA Scheme shall be valid and effective for the period of 10 years commencing on the adoption date of the RSA 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 RSA Scheme. No award shares were outstanding at 30 June 2026 (at 31 December 2025: 3,000,000).

During the six months ended 30 June 2026, the Group recognised the share-based payment expenses of RMB405,000 in relation to the award shares granted on 1 April 2022 (six months ended 30 June 2025: RMB1,525,000). During the six months ended 30 June 2026, 3,000,000 award shares (six months ended 30 June 2025: Nil) were exercised and nil award shares (six months ended 30 June 2025: Nil) were forfeited. The weighted average share price at the date of exercise for award shares exercised during the six months ended 30 June 2026 was HK\$23.96 (six months ended 30 June 2025: HK\$Nil). The weighted average remaining contractual life of outstanding award shares at 30 June 2025 was 6.83 years and the weighted average exercise price was HK\$0.01 per share at 30 June 2025.

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

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

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2026

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

On 23 January 2026, 1,331,100 award shares were granted to 78 awardees, which included 2 directors and 76 employees of the Group pursuant to the RSA Scheme of the Vertex Horizon Employee Incentive Plan. All the awards shall be vested on the first anniversary of the date of award.

The following table discloses movements of the Company's share awards granted on 12 January 2024, 15 November 2024 and 23 January 2026 held by directors and employees during the six months ended 30 June 2026:

	Number of share awards	
	1/1/2026 to 30/6/2026	1/1/2025 to 30/6/2025
Outstanding at the beginning of the period	4,082,476	4,082,476
Granted during the period	1,331,100	—
Forfeited during the period	(27,300)	—
Outstanding at the end of the period	5,386,276	4,082,476

During the six months ended 30 June 2026, the Group recognized the share-based payments expense of RMB745,000 and RMB8,000 and RMB6,833,000 in relation to the award shares granted on 12 January 2024, 15 November 2024 and 23 January 2026, respectively (six months ended 30 June 2025: RMB2,314,000, RMB1,475,000 and RMBNil). Nil award shares (six months ended 30 June 2025: Nil) were exercised and 27,300 award shares (six months ended 30 June 2025: Nil) were forfeited during the six months ended 30 June 2026. The award shares outstanding at the end of the period have a weighted average remaining contractual life of 7.63 years, 8.27 years and 9.56 years in relation to the award shares granted on 12 January 2024, 15 November 2024 and 23 January 2026, respectively (as at 30 June 2025: 8.63 years, 9.27 years and Nil) and the weighted average exercise price is HK\$0.01 per share (six months ended 30 June 2025: HK\$0.01 per share).

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for the six months ended 30 June 2026

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

The binomial option pricing model was used to determine the underlying equity value of the Company at grant date. The inputs into the model were as follows:

Grant date	12 January 2024	15 November 2024	23 January 2026
Share price on date of grant	HK\$7.25 per share	HK\$3.66 per share	HK\$13.66 per share
Exercise price	HK\$0.01 per share	HK\$0.01 per share	HK\$0.01 per share
Risk-free rate	3.45%	3.34%	3.18%
Expected volatility (expressed as a weighted average volatility used in the modelling under binomial lattice model)	59.4%	51.4%	58.92%
Expected dividend yield	0%	0%	0%
Award life	10 years	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.

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, 15 November 2024 and 23 January 2026 respectively, that will remain in employment with the Group at the end of the vesting period.

22. TREASURY SHARES

The Company purchased 3,888,600 of its shares on the Stock Exchange of Hong Kong Limited at a total consideration of HK\$78,120,000 (equivalent to approximately RMB68,114,000), and held such shares as treasury shares.

23. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The Interim Financial Information was approved and authorised for issue by the Board of Directors on 27 August 2026.