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Fenbi Ltd.

粉筆有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2469)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board (the "**Board**") of directors (the "**Directors**") of Fenbi Ltd. (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") is pleased to announce the unaudited interim condensed consolidated results of the Group for the six months ended June 30, 2026 (the "**Reporting Period**"), together with the comparative figures for the six months ended June 30, 2025, which have been reviewed by the audit committee of the Company (the "**Audit Committee**"). The interim results of the Group for the six months ended June 30, 2026 have been reviewed by PricewaterhouseCoopers, the independent auditor of the Company in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity."

In this announcement, "we," "us," or "Fenbi" refer to the Company and where the context otherwise requires, the Group.

RESULTS HIGHLIGHTS

Financial Results

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**1,248,320**	1,491,952
Gross profit	**522,172**	805,748
Net (loss)/profit for the period	**(183,544)**	226,651
Adjusted net (loss)/profit (non-IFRS measure) *Note*	**(158,392)**	271,459

Note: We define adjusted net (loss)/profit (non-IFRS measure) as profit/(loss) for the period adjusted by share-based payments.

Operating Information

	As of/for the six months ended June 30, 2026	As of/for the year ended December 31, 2025	As of/for the six months ended June 30, 2025
Employees	**5,963**	7,005	7,053
Full-time instructors	**2,154**	2,870	2,784
Other staff	**3,809**	4,135	4,269
Average monthly active users	**8.5 million**	9.1 million	9.3 million

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended June 30,	
	Notes	**2026**	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**1,248,320**	1,491,952
Cost of revenue	*4, 6*	**(726,148)**	(686,204)
Gross profit		**522,172**	805,748
Administrative expenses	*6*	**(199,312)**	(182,352)
Selling and marketing expenses	*6*	**(361,701)**	(306,263)
Research and development expenses	*6*	**(132,426)**	(107,873)
Net impairment losses on financial assets		**(1,212)**	(2,308)
Other income		**8,249**	8,458
Other (losses)/gains, net	*5*	**(12,800)**	3,634
Operating (loss)/profit		**(177,030)**	219,044
Finance income		**11,854**	19,219
Finance costs		**(1,689)**	(2,551)
Finance income, net	*7*	**10,165**	16,668
Share of net loss of investments accounted for using the equity method		**(751)**	–
(Loss)/profit before income tax		**(167,616)**	235,712
Income tax expense	*8*	**(15,928)**	(9,061)
(Loss)/profit for the period		**(183,544)**	226,651
(Loss)/profit attributable to:			
– Owners of the Company		**(183,544)**	226,651
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company *(RMB)*			
Basic (loss)/earnings per share	*9*	**(0.09)**	0.11
Diluted (loss)/earnings per share	*9*	**(0.09)**	0.10

The above interim condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(Loss)/profit for the period	**(183,544)**	226,651
Other comprehensive loss		
Items that may be reclassified to profit or loss		
– Currency translation differences of the Company's subsidiaries	**2,602**	735
Items that will not be reclassified to profit or loss		
– Currency translation differences of the Company	**(33,232)**	(4,955)
Other comprehensive loss for the period, net of tax	**(30,630)**	(4,220)
Total comprehensive (loss)/income for the period	**(214,174)**	222,431
Total comprehensive (loss)/income for the period attributable to:		
– Owners of the Company	**(214,174)**	222,431

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**June 30, 2026** ***RMB'000*** **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Assets			
Non-current assets			
Property, plant and equipment		**69,433**	70,874
Right-of-use assets		**118,859**	75,018
Intangible assets		**2,842**	3,182
Prepayments and other receivables	*11*	**32,793**	29,669
Investments accounted for using the equity method		**5,056**	5,807
Deferred income tax assets		**17,779**	32,754
Term deposits with initial term of over three months		**200,099**	200,099
Total non-current assets		**446,861**	417,403
Current assets			
Inventories		**55,929**	67,738
Trade receivables	*10*	**44,009**	26,847
Contract assets	*4*	**54,011**	10,672
Prepayments and other receivables	*11*	**94,616**	103,142
Financial assets at fair value through profit or loss		**479,211**	132,096
Other financial assets at amortised cost		**47,271**	55,449
Cash and cash equivalents		**400,948**	869,141
Restricted cash		**–**	351
Term deposits with initial term of over three months		**213,358**	166,055
Total current assets		**1,389,353**	1,431,491
Total assets		**1,836,214**	1,848,894

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

	Notes	**June 30, 2026** *RMB'000* **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Equity			
Equity attributable to owners of the Company			
Share capital	*12*	**150**	149
Share premium	*12*	**15,146,839**	15,139,298
Other reserves		**(9,924,423)**	(9,911,403)
Accumulated losses		**(4,102,903)**	(3,919,359)
Total equity		**1,119,663**	1,308,685
Liabilities			
Non-current liabilities			
Lease liabilities		**72,754**	34,027
Deferred income tax liabilities		**6,822**	8,985
Total non-current liabilities		**79,576**	43,012
Current liabilities			
Trade and other payables	*14*	**221,718**	182,215
Contract liabilities	*4*	**267,178**	131,071
Refund liabilities		**98,272**	137,605
Current income tax liabilities		**9,463**	15,225
Lease liabilities		**40,344**	31,081
Total current liabilities		**636,975**	497,197
Total liabilities		**716,551**	540,209
Total equity and liabilities		**1,836,214**	1,848,894

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
		Attributable to equity holders of the Company				
Balance at January 1, 2026		**149**	**15,139,298**	**(9,911,403)**	**(3,919,359)**	**1,308,685**
Loss for the period		–	–	–	(183,544)	(183,544)
Other comprehensive loss		–	–	(30,630)	–	(30,630)
Total comprehensive loss for the period		–	–	(30,630)	(183,544)	(214,174)
Transactions with owners in their capacity as owners:						
Share-based compensation	*13*	–	–	25,152	–	25,152
Employee share schemes – exercise of share incentive schemes	*12*	1	7,541	(7,542)	–	–
Total transactions with owners in their capacity as owners		1	7,541	17,610	–	25,152
Balance at June 30, 2026 (Unaudited)		150	15,146,839	(9,924,423)	(4,102,903)	1,119,663

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

		Attributable to equity holders of the Company				
	Notes	Share capital *RMB'000*	Share premium *RMB'000*	Other reserves *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
Balance at January 1, 2025		148	15,064,115	(9,752,966)	(4,107,858)	1,203,439
Profit for the period		–	–	–	226,651	226,651
Other comprehensive loss		–	–	(4,220)	–	(4,220)
Total comprehensive income for the period		–	–	(4,220)	226,651	222,431
Transactions with owners in their capacity as owners:						
Share-based compensation	*13*	–	–	44,808	–	44,808
Employee share schemes – exercise of share incentive schemes	*12*	1	18,213	(18,214)	–	–
Total transactions with owners in their capacity as owners		1	18,213	26,594	–	44,808
Balance at June 30, 2025 (Unaudited)		149	15,082,328	(9,730,592)	(3,881,207)	1,470,678

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	**11,989**	218,579
Interest paid	**(1,689)**	(1,893)
Interest received	**10,926**	18,334
Income tax paid	**(14,362)**	(21,742)
Net cash generated from operating activities	**6,864**	213,278
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	**(2,753,697)**	(785,813)
Redemption of financial assets at fair value through profit or loss	**2,385,989**	723,644
Purchase of term deposits with initial term of over three months	**(183,198)**	(103,114)
Redemption of term deposits with initial term of over three months	**130,685**	87,181
Loans to employees	**(46,123)**	–
Repayment of loans to employees	**28,023**	–
Redemption of other financial assets at amortised cost	**7,900**	10,394
Purchase of property, plant and equipment	**(7,660)**	(3,088)
Repayment of loan to third parties	**3,000**	3,000
Proceeds from sale of property, plant and equipment	**1,419**	152
Prepayments for purchases of financial assets at fair value through profit or loss	**–**	(50,611)
Prepayments for purchases of other financial assets at amortised cost	**–**	(35,793)
Net cash outflow for the settlement of derivatives	**–**	(1,060)
Net cash used in investing activities	**(433,662)**	(155,108)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cash flows from financing activities		
Principal elements of lease payments	**(25,957)**	(26,626)
Net cash used in financing activities	**(25,957)**	(26,626)
Net (decrease)/increase in cash and cash equivalents	**(452,755)**	31,544
Cash and cash equivalents at the beginning of the period	**869,141**	945,953
Exchange differences	**(15,438)**	(3,945)
Cash and cash equivalents at the end of the period	**400,948**	973,552

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

SELECTED NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

Fenbi Ltd. (the "**Company**") was incorporated in the Cayman Islands on December 14, 2020 as an exempted company with limited liability under the Companies Act (Cap 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is at 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the "**Group**") are principally engaged in providing non-formal vocational education and training services in the People's Republic of China (the "**PRC**").

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since January 9, 2023 (the "**Listing**") by way of its initial public offering (the "**IPO**").

The condensed consolidated interim financial information is presented in Renminbi ("**RMB**") and rounded to the nearest thousand Yuan, unless otherwise stated.

2 Basis of preparation and accounting policies

2.1 Basis of preparation

This condensed consolidated interim financial information for the six months ended June 30, 2026 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting". The interim report does not include all of the notes normally included in annual consolidated financial statements. Accordingly, this report should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2025, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS Accounting Standards**").

2.2 *Accounting policies*

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

New and amended standards adopted by the Group

The Group has applied the following amendments for the first time from January 1, 2026:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

- Annual Improvements to IFRS Accounting Standards – Volume 11

- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The above standards did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards and interpretations not yet adopted

Certain new accounting standards, amendments and annual improvements have been published and are not mandatory for corresponding interim reporting periods and have not been early adopted by the Group.

- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after January 1, 2027)

- Amendments to IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after January 1, 2027)

- Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency (effective for annual periods beginning on or after January 1, 2027)

- IFRS 20 Regulatory Assets and Regulatory Liabilities (effective for annual periods beginning on or after January 1, 2029)

These new standards, amendments and annual improvements listed above are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, except for the IFRS 18 presentation and disclosure in financial statements ("**IFRS 18**"). The impact of IFRS 18 should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2025.

3 Estimates

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended December 31, 2025.

4 Segment information

The Group's chief operating decision maker ("**CODM**") has been identified as executive directors who consider the business from the service perspective.

The CODM reviews the Group's internal reporting in order to assess performance, allocate resources, and determine the operating segments based on these reports.

As at June 30, 2026, the CODM identified the following reportable segments:

- Tutoring services: the tutoring services are offered by the Group through classroom-based platforms which teaching to the students who physically attend the lectures in tutoring centers and tutoring bases/campuses, or through online platforms which mainly represent online tutoring courses services, membership package, challenge exercise etc.

- Sales of books and others: including books provided with tutoring services, printing business relevant with book selling business etc.

As at June 30, 2026, the CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. The selling and marketing expenses, administrative expenses and research and development expenses are common costs incurred for these operating segments as a whole and therefore, they are not included in the measure of the segments' performance which is used by the CODM as a basis for the purpose of resource allocation and assessment of segment performance. Net impairment losses on financial assets, other (losses)/gains, net, finance income, net, income tax expense and assets and liabilities are also not allocated to individual operating segment.

The revenues from external customers reported to the CODM are measured in a manner consistent with that applied in the interim consolidated statement of profit or loss. Other information, together with the segment information, provided to the CODM, is measured in a manner consistent with that applied in the interim consolidated financial information. There were no segment assets and segment liabilities information provided to the CODM for measure of the segments' performance.

The Company is domiciled in the Cayman Islands while the Group mainly operates its business in the PRC and earns substantially all of the revenues from external customers attributed to the PRC. The revenue is mainly generated in the PRC.

The segment information provided to the CODM for the reportable segments for the six months ended June 30, 2026 and 2025 were as follows:

	Tutoring services *RMB'000*	**Sales of books and others** *RMB'000*	**Total** *RMB'000*
Six months ended June 30, 2026 (Unaudited)			
Segment revenue	**1,068,625**	**228,778**	**1,297,403**
Inter-segment revenue	**–**	**(49,083)**	**(49,083)**
Revenue from external customers	**1,068,625**	**179,695**	**1,248,320**
Cost of revenue *(a)*	**(600,123)**	**(126,025)**	**(726,148)**
Gross profit	**468,502**	**53,670**	**522,172**

	Tutoring services *RMB'000*	Sales of books and others *RMB'000*	Total *RMB'000*
Six months ended June 30, 2025 (Unaudited)			
Segment revenue	1,294,914	260,249	1,555,163
Inter-segment revenue	–	(63,211)	(63,211)
Revenue from external customers	1,294,914	197,038	1,491,952
Cost of revenue *(a)*	(552,407)	(133,797)	(686,204)
Gross profit	742,507	63,241	805,748

(a) Cost of revenue primarily comprises employee benefit expenses, cost of course materials and lease expenses.

For tutoring services, the timing of revenue recognition is over time. For sales of books and others, the timing of revenue recognition is when the performance obligations of sales and delivery of goods are satisfied at a point in time.

The reconciliation of gross profit to loss before income tax during the six months ended June 30, 2026 was shown in the consolidated statement of profit or loss.

For the six months ended June 30, 2026, the Group's customer base is diversified and no customer with whom transactions have exceeded 10% of the Group's revenues.

As of June 30, 2026, substantially all of the non-current assets other than deferred income tax assets of the Group were located in the PRC.

Contract liabilities and contract assets

The Group has recognised the following contract assets and contract liabilities (which represented the unsatisfied performance obligation) as at June 30, 2026.

	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contract assets relating to certain program	**54,590**	10,787
Loss allowance	**(579)**	(115)
Contract assets	**54,011**	10,672
Contract liabilities	**267,178**	131,071

(i) Revenue recognised in relation to contract liabilities

	Six months ended June 30, 2026	Year ended December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Contract liabilities	**101,867**	129,924

(ii) Unsatisfied contracts

The majority of contract liabilities as at June 30, 2026 were expected to be recognised within one year. As the contract terms with customers are usually within 12 months, the Group applied the practical expedient as permitted under IFRS 15 not to disclose the transaction price allocated to unsatisfied performance obligations as at June 30, 2026.

5 Other (losses)/gains, net

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Fair value (losses)/gains on financial assets at fair value through profit or loss	**(12,877)**	3,875
Net fair value losses on derivatives	**–**	(1,060)
Net losses on early termination of lease and the disposal of related leasehold improvements	**(627)**	(361)
Net gains/(losses) on disposal of property, plant and equipment	**403**	(438)
Donation	**(37)**	(54)
Net foreign exchange gains/(losses)	**261**	(77)
Others	**77**	1,749
	(12,800)	3,634

6 Expenses by nature

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**814,163**	670,261
Lease expenses	**122,641**	141,801
Human resource outsourcing and other labour costs	**110,961**	129,590
Cost of course materials	**100,792**	108,526
Promotion expenses	**74,046**	52,687
Depreciation of right-of-use assets	**29,556**	26,348
Logistics expenses	**23,702**	28,308
Travel expenses	**21,102**	18,901
Classroom consumables	**17,338**	15,184
Services fee for cloud storage	**14,427**	11,243
Depreciation of property, plant and equipment	**8,220**	9,075
Tax and surcharge	**6,577**	5,361
Property management costs	**6,359**	5,983
Charges for licensed payment institutions	**5,888**	8,429
Meal expenses provided to students	**5,756**	10,171
Office expenses	**3,785**	3,087
Auditor's remuneration		
– Audit and audit related services	**1,570**	1,556
– Non-audit services	**1,057**	20
Amortisation of intangible assets	**340**	298
Others	**51,307**	35,863
	1,419,587	1,282,692

7 Finance income, net

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income:		
– Interest income	**11,275**	19,219
– Net foreign exchange gains	**579**	–
	11,854	19,219
Finance costs:		
– Finance cost on lease liabilities	**(1,689)**	(1,893)
– Net foreign exchange losses	**–**	(658)
	(1,689)	(2,551)
Finance income, net	**10,165**	16,668

8 Income tax expense

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**3,116**	16,704
Deferred income tax	**12,812**	(7,643)
Income tax expense	**15,928**	9,061

(i) Cayman Islands corporate income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Act and, accordingly, is exempted from local income tax.

(ii) Hong Kong profits tax

No provision for Hong Kong profits tax was provided as the Group did not have any estimated assessable profits in Hong Kong during the six months ended June 30, 2026 and 2025.

(iii) PRC corporate income tax ("CIT")

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% during the reporting period.

Certain subsidiaries of the Group in the PRC are approved as High and New Technology Enterprise, and accordingly, are subject to a reduced preferential CIT rate of 15% during the reporting period according to the applicable CIT Law. Certain subsidiaries of the Group in the PRC are qualified as small and micro enterprises and are entitled to a preferential corporate income tax rate of 20% during the reporting period.

(iv) PRC Withholding Tax ("WHT")

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profit derived after January 1, 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be 5%.

Deferred income tax has been recognised at June 30, 2026 for the withholding tax that would be payable on the earnings of its subsidiaries in Chinese Mainland that are expected to be distributed in the foreseeable future.

9 (Loss)/earnings per share

(a) Basic

Basic (loss)/earnings per share is calculated by dividing:

The (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

	Six months ended June 30,	
	2026	2025
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company *(RMB'000)*	**(183,544)**	226,651
Weighted average number of ordinary shares in issue *(thousands)*	**2,139,884**	2,132,408
Basic (loss)/earnings per share *(RMB)*	**(0.09)**	0.11

(b) Diluted

Diluted (loss)/earnings per share is calculated based on the (loss)/profit attributable to owners of the Company by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Six months ended June 30,	
	2026	2025
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company *(RMB'000)*	**(183,544)**	226,651
Weighted average number of ordinary shares in issue *(thousands)*	**2,139,884**	2,132,408
Adjustments for:		
– Share options *(thousands)*	**–**	24,047
– RSUs *(thousands)*	**–**	6,632
Adjusted weighted average number of ordinary shares for diluted (loss)/earnings per share *(thousands)*	**2,139,884**	2,163,087
Diluted (loss)/earnings per share *(RMB)*	**(0.09)**	0.10

As the Group incurred losses for the six months ended June 30, 2026, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended June 30, 2026 is same as basic loss per share for the respective period.

10 Trade receivables

	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables from contracts with customers		
– Third parties	**45,160**	26,624
– Related parties	**211**	506
Loss allowance	**(1,362)**	(283)
	44,009	26,847

(a) Due to the short-term nature of the trade receivables, their carrying amount is considered to be the same as their fair value.

(b) The credit terms given to trade customers are determined on an individual basis with normal credit period ranging from 30 to 90 days.

The aging analysis of the trade receivables based on invoice date were as follows:

	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Up to 3 months	**36,517**	21,516
3 to 6 months	**6,102**	2,034
6 to 12 months	**880**	65
More than 1 year	**1,872**	3,515
	45,371	27,130

11 Prepayments and other receivables

	Notes	**June 30, 2026**	December 31, 2025
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
Non-current portion:			
Loan to third parties		**22,844**	25,411
Prepayments for property, plant and equipment		**413**	658
Deposits receivable		**11,121**	5,499
Loss allowance		**(1,585)**	(1,899)
		32,793	29,669
Current portion:			
Advances to suppliers		**26,103**	44,344
Input VAT recoverable		**11,740**	10,412
Loans to employees	*(a)*	**18,159**	–
Deposits receivable		**10,233**	17,651
Prepayments for taxes		**9,623**	4,140
Loan to third parties		**5,068**	4,988
Others		**14,131**	21,929
Loss allowance		**(441)**	(322)
		94,616	103,142
		127,409	132,811

(a) The loans to employees given by the Company are for the purpose of incentivizing the selected employees for long-term service, with a maturity date of December 31, 2026 and an annual interest rate of 3%.

12 Share capital and Share premium

Company

Authorised:	**Number of ordinary shares**	**Nominal value of ordinary shares**
		USD'000
As at January 1, 2026 and June 30, 2026 (Unaudited)	5,000,000,000	50

Issued:	**Number of ordinary shares**	**Nominal value of ordinary shares**	**Equivalent nominal value of ordinary shares**	**Share premium**	**Total share capital and share premium**
	(Thousands)	*USD*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	2,229,681	22,297	148	15,064,115	15,064,263
Add:					
Employee share schemes – exercise of share incentive schemes	3,999	40	1	18,213	18,214
As at June 30, 2025 (Unaudited)	2,233,680	22,337	149	15,082,328	15,082,477
As at January 1, 2026	2,237,635	22,377	149	15,139,298	15,139,447
Add:					
Employee share schemes – exercise of share incentive schemes	1,904	19	1	7,541	7,542
As at June 30, 2026 (Unaudited)	2,239,539	22,396	150	15,146,839	15,146,989

13 Share-based payments

To incentivize its employees and promote the long-term growth of the Company, the Company has adopted the pre-IPO equity incentive scheme in December 2020 (the "**Pre-IPO Share Option Scheme**"), the share option scheme in June 2023 (the "**2023 Share Option Scheme**") and the restricted share unit scheme in June 2023 (the "**2023 Restricted Share Unit Scheme**"). The 2023 Share Option Scheme and 2023 Restricted Share Unit Scheme were collectively referred to the 2023 Share Incentive Schemes.

(a) The Pre-IPO Share Option Scheme

Under the Pre-IPO Share Option Scheme adopted by the Group, participants are granted options which only vest if the service conditions are met. The exercise price is nil. Participation in the scheme is at the Board's discretion. The share options shall be subject to different vesting service periods from the vesting commencement date, which is the grant date of options.

As prescribed in the share option agreement and the respective grant letter:

- For vesting schedule of service period for three years, i) one-third (1/3) of the granted share options are vested on each anniversary from the vesting commencement date; or ii) 25% of the granted share options are vested on the second anniversary from the vesting commencement date and 30% and 45% of granted share options are vested on the same day in the following two subsequent years, respectively.

- For vesting schedule as four years, i) 25% of the granted share options are vested on each anniversary from the vesting commencement date; or ii) the granted share options are vested on the fourth anniversary of the vesting commencement date; or iii) 15%/25%/25%/35% of the granted share options are vested on the same day in the following four subsequent years, respectively; or iv) 40%/30%/20%/10% of the granted share options are vested on the same day in the following four subsequent years, respectively.

- For vesting schedule as two years, 50% of the granted share options are vested on each anniversary from the vesting commencement date.

- For vesting schedule that vested immediately upon grant, granted share options are vested upon the vesting commencement date.

In the event a participant's employment or service with the Group is terminated for any reason, the Group shall have a right to repurchase any shares purchased by such participant upon exercise of option or the vested options at a price calculated based on the fair market value on that date as defined in the option agreement.

(i) Movements in the number of share options granted to participants related to the Pre-IPO Share Option Scheme

	Number of share options
Outstanding as at January 1, 2026	16,539,160
Forfeited during the period	(150,000)
Exercised during the period	(2,503,900)
Outstanding as at June 30, 2026 (Unaudited)	13,885,260
– Exercisable as of June 30, 2026	13,057,463
Outstanding as at January 1, 2025	34,517,810
Forfeited during the period	(30,000)
Exercised during the period	(6,244,550)
Outstanding as at June 30, 2025 (Unaudited)	28,243,260
– Exercisable as of June 30, 2025	20,584,973

The weighted-average remaining contract life for outstanding share options were 4.59 years as of six months ended June 30, 2026 (2025: 5.59 years).

(ii) Fair value of share options granted

As the exercise price of share options is nil, the fair value of share options is developed based on the spot price of the ordinary shares. The Group used the discounted cash flow method to determine the underlying equity fair value of the Group. During the six months ended June 30, 2026, there were no grants related to the Pre-IPO Share Option Scheme (six months ended June 30, 2025: nil).

(b) The 2023 Share Incentive Schemes

The 2023 Share Option Scheme and 2023 Restricted Share Unit Scheme were approved and adopted by the Company on June 14, 2023. Both schemes shall be valid and effective for a period of ten (10) years commencing on the date of adoption. Pursuant to the terms of the respective agreements as adopted by the Company, participation and vesting conditions in the 2023 Share Incentive Schemes shall be at the Board's discretion under specified circumstances in relation to the options or shares granted to the eligible participants.

On September 4, 2023, the Group granted a total of 894,000 restricted share units (the "**RSUs**"), representing an aggregate of 894,000 shares, to 363 employees of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$4.67 (equivalent to RMB4.27) per share.

On January 2, 2024, the Group granted a total of 15,668,000 RSUs, representing an aggregate of 15,668,000 shares, to 6,039 employees of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$4.52 (equivalent to RMB4.09) per share.

On April 3, 2024, the Group granted a total of 8,932,000 RSUs, representing an aggregate of 8,932,000 shares, to 693 employees of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$4.67 (equivalent to RMB4.23) per share.

On June 13, 2024, the Group granted a total of 7,000,000 RSUs, representing an aggregate of 7,000,000 shares, to 1 employee of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$4.29 (equivalent to RMB3.91) per share.

On April 1, 2025, the Group granted a total of 20,600,000 RSUs, representing an aggregate of 20,600,000 shares, to 182 employees of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$2.51 (equivalent to RMB2.32) per share.

On October 15, 2025, the Group granted a total of 11,209,000 RSUs, representing an aggregate of 11,209,000 shares, to 223 employees of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$2.68 (equivalent to RMB2.45) per share.

On April 1, 2026, the Group granted a total of 10,195,000 RSUs, representing an aggregate of 10,195,000 shares, to 185 employees of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$1.12 (equivalent to RMB0.99) per share.

As prescribed in the restricted share unit agreements and the respective grant letter:

- For vesting schedule of service period for three years, 25% of the granted shares are vested on the vesting commencement date and 25% of the granted shares are vested on each anniversary from the vesting commencement date.

- For vesting schedule as four years, 25% of the granted shares are vested on each anniversary from the vesting commencement date.

During the six months ended June 30, 2026, there were no grants related to the 2023 Share Option Scheme(six months ended June 30, 2025:nil).

(i) Movements in the number of RSUs granted to participants related to the 2023 Restricted Share Unit Scheme

	Number of RSUs
Outstanding as at January 1, 2026	43,423,900
Granted during the period	10,195,000
Exercised during the period	(9,324,050)
Forfeited during the period	(3,912,375)
Outstanding as at June 30, 2026 (Unaudited)	40,382,475
– Vested and exercisable as at June 30, 2026	4,627,125
Outstanding as at January 1, 2025	25,460,950
Granted during the period	20,600,000
Exercised during the period	(11,554,050)
Forfeited during the period	(269,500)
Outstanding as at June 30, 2025 (Unaudited)	34,237,400
– Vested and exercisable as at June 30, 2025	13,375

(c) Expenses arising from share-based payment transactions

The total expenses arising from share-based payments recognised during the period as part of employee benefit expense were as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Options issued under the Pre-IPO Share Option Scheme	**844**	10,574
Shares issued under the 2023 Restricted Share Unit Scheme	**24,308**	34,234
	25,152	44,808

14 Trade and other payables

	June 30, 2026 *RMB'000* (Unaudited)	December 31, 2025 *RMB'000* (Audited)
Trade payables	**29,316**	29,049
Accrued salaries, bonuses and welfares	**172,102**	122,356
Tax payable (other than income tax payable)	**13,742**	23,392
Accrued auditor's remuneration	**1,570**	2,313
Others	**4,988**	5,105
	221,718	182,215

The ageing analysis of the trade payables based on their respective invoice and issue dates are as follows:

	June 30, 2026 *RMB'000* (Unaudited)	December 31, 2025 *RMB'000* (Audited)
Within 1 year	**29,114**	28,858
More than 1 year	**202**	191
	29,316	29,049

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

15 Dividends

The Board did not propose an interim dividend for the six months ended June 30, 2026 (six months ended June 30, 2025: nil).

16 Commitments

As at June 30, 2026, the Group did not have any significant capital commitments (December 31, 2025: nil).

17 Contingencies

As at June 30, 2026, the Group did not have any significant contingent liabilities (December 31, 2025: nil).

18 Subsequent events

During the period from July 1, 2026 to the date of this interim results announcement, the Group disposed of certain ETF products and listed securities purchased through open markets, and realised a total investment loss of approximately US$8,335,000, equivalent to RMB56,654,000. The financial effects of the above transaction have not been recognised as of June 30, 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

We are a non-formal vocational education and training ("**VET**") service provider in China, dedicated to making high-quality non-formal VET services accessible through technology and innovation. As a leading career test preparation service provider in China, we provide a comprehensive suite of recruitment and qualification examination tutoring courses for adult students pursuing careers in government-sponsored institutions and a number of professions and industries. We help college graduates excel in the competitive selection process administered by governmental institutions, and help professionals obtain the relevant qualifications. Most importantly, we help our students advance their personal development and fulfill their own potentials. Leveraging our high-quality tutoring services, comprehensive course offerings and student-centric teaching philosophy, we have successfully established "Fenbi" amid the most recognized brands in China's career test preparation industry.

We have followed an integrated approach to develop a comprehensive portfolio of career test preparation products and services that generate significant synergies. We deliver our tutoring services through omni-channels. Leveraging our online business strengths and the capability to integrate offline teaching resources, we have developed an advanced portfolio of course offerings:

- *Online learning products.* Online learning products include membership packages and challenge exercises. We offer members access to exam notes and tutorial videos for explaining exercises, news updates, hot topics, exercise sets, and course materials on the Fenbi online platform. The monthly price for membership packages of major subjects is generally between RMB20 and RMB70, based on the benefits and duration of the membership. The challenge exercises are generally priced between RMB99 and RMB598. Our system recommends different sets of exercises to students based on their areas of improvement and suitable difficulty level, which they can "pass through" one by one as they progress in the learning process. Students who achieve the target score within a prescribed period will be granted a partial or full refund of the purchase price. During the six months ended June 30, 2026, revenue generated from the online learning products amounted to approximately RMB40.3 million.

- *Large-class tutoring courses.* Large-class tutoring courses are fully online live tutoring courses, mainly comprising systematic courses. They feature high-caliber instructors and well-designed curricula, and provide systematic knowledge explanations and relevant exercises to empower students throughout their examination preparation process. Our online large-class tutoring courses typically have over 1,000 students, with teaching durations ranging from 30 to 90 days, and are generally priced between RMB300 and RMB1,280 per course. Last year, we launched the industry's first innovative AI-empowered Exam Drilling System Class (AI 刷題系統班). Based on Fenbi's self-developed domain-specific large model, the course can accurately diagnose each student's learning status, assess each student's learning outcomes, provide personalized course plans and review plans, dynamically adjust learning paths, and provide heuristic Q&A support. Adopting a dual-teacher model of "Distinguished Teachers + AI Digital Humans (名師+AI數字人)", the course enables personalized and efficient examination preparation for more students. The new AI-empowered learning model overcomes the limitations of traditional teaching, under which students could only learn passively and follow routines. The new model allows students to conduct targeted revision based on their individual weaknesses. Each AI course student benefits from AI-driven personalized analysis, significantly enhancing learning efficiency. During the six months ended June 30, 2026, revenue generated from the large-class tutoring courses amounted to approximately RMB201.8 million, of which the AI-empowered Exam Drilling System Class contributed RMB42.2 million, becoming a core growth highlight of the large-class tutoring courses.

- *Small-class tutoring sessions.* Small-class tutoring sessions are primarily conducted online or through an integrated online and offline teaching model. Our written test classes for major subjects typically have 30 to 60 students, with tutoring durations ranging from 30 to 120 days. The written test classes for public-sector recruitment examinations are generally priced over RMB7,000 per course. Our interview test classes for major subjects typically have 8 to 12 students, with tutoring durations ranging from 5 to 15 days. The interview test classes for public-sector recruitment examinations are generally priced over RMB8,000 per course. Our small-class tutoring sessions offer personalized tutoring services for students, utilizing the internet to effectively manage the quality of our teaching staff and their teaching performance, ensuring consistent teaching results across different classes and thereby gradually achieving brand recognition for our course products. Leveraging our proprietary technology and extensive learning behavior data, our online learning system tracks students' learning paths and provides real-time feedback on their weaknesses, significantly enhancing the teaching efficiency of teachers, and providing each student with personalized and targeted holistic learning solutions based on the continuously accumulated relevant data. During the six months ended June 30, 2026, revenue generated from the above small-class tutoring sessions amounted to approximately RMB813.3 million.

- *Other tutoring courses.* Other tutoring courses include special tutoring courses and promotional courses. Last year, we launched innovative AI-specific courses, including AI interview evaluation for state-owned enterprise recruitment and AI interview evaluation for teacher certification. Leveraging multimodal technology and a sample dataset of over 400,000 users, these courses provide multi-dimensional intelligent scoring and visualized feedback, effectively addressing the timeliness and standardization challenges of manual evaluation. To date, revenue generated from other tutoring courses during the six months ended June 30, 2026 amounted to approximately RMB13.2 million, effectively expanding our technology service scenarios.

We operate a scalable business benefiting from our solid online presence, in-depth empowerment by self-developed AI technologies and the significant synergies achieved through an innovative online-merge-offline model. We are the first internet-born recruitment examination tutoring service provider that integrated offline resources and achieved economies of scale in omni-channels to create unique competitive advantages.

OUTLOOK

Looking ahead, we are keenly aware that the external environment facing the recruitment examination tutoring industry is becoming increasingly complex. The number of positions available through certain public-sector recruitment examinations has declined. Students are becoming more cautious in their decisions in spending, while the number of industry participants and product offerings continues to increase. These changes have placed greater pressure on student enrolment, our pricing and operations, and market competition may remain intense in the near future. We will neither shy away from difficulties nor underestimate the challenges, and will carry out our work in a more pragmatic and prudent manner.

As more participants enter the career test preparation market, competition will inevitably intensify. However, this also reflects sustained demand for high-quality vocational education services. We believe that healthy and constructive competition helps drive continuous improvements in course quality, service standards and operational efficiency across the industry, ultimately benefiting students. We respect every peer that is committed to delivering quality products and services, are willing to learn, improve and progress through competition, and hope to work with more industry participants to promote a more regulated, transparent and high-quality market.

Regardless of changes in the external environment and competitive landscape, students' demand for high-quality teaching services and positive learning outcomes will remain unchanged. For Fenbi, our foremost priority still lies in teaching research, instruction and services. We will continue to adhere to our student-centric approach and, while maintaining reasonable pricing of our products, improve course quality and service experience, maintain the stability of our core teaching research, teaching staff and service teams, and strive to attract and cultivate outstanding talents. We will neither pursue short-term achievement nor trade product quality for product growth.

In response to a more challenging operating environment, we will direct our limited resources to the most important products and services, further optimize our organizational structure, costs and expenses, and day-to-day operations, and improve decision-making and execution efficiency. In our online learning products business, we will continue to improve product experience and user engagement. For offline and small-class tutoring sessions, we will continue to leverage the synergies among online traffic, high-quality teaching staff and offline teaching settings, improve student enrollment conversion, class operations and teaching staff utilization, and strive to provide students with a more stable and consistent learning experience.

Technology remains an important tool for enhancing teaching and service efficiency. Based on students' actual needs, we will continue to upgrade AI-empowered Exam Drilling System Class, AI interview evaluation and other related features, and explore appropriate applications of AI in learning planning, exercises, Q&A sessions and provision of feedback. To us, AI is not a product concept independent of teaching, but a tool for improving courses and services. Technology must always serve content, teachers and students. We will place greater emphasis on actual learning outcomes, user experience and cost-effectiveness, so that these functions can genuinely help students improve learning efficiency.

The road ahead will not be easy, but Fenbi's development has itself been achieved step by step amid recurring difficulties and competition. We will remain patient and enterprising, confront pressure relating to revenue, costs and efficiency, and continue to deliver every product, class and service with care. We believe that, by remaining grounded in high-quality content, consistent teaching and meticulous services, and by continuously learning and improving through competition, we will be able to better serve our students, steadily enhance our operating quality, and promote the healthy and sustainable development of our Company.

FINANCIAL REVIEW

Revenue

Our revenue decreased by 16.3% from RMB1,492.0 million for the six months ended June 30, 2025 to RMB1,248.3 million for the six months ended June 30, 2026. The following table sets forth a breakdown of our revenue, both in absolute amounts and as a percentage of total revenue, by business line for the periods indicated.

	Six months ended June 30,			
	2026		2025	
	RMB'000 **(Unaudited)**	***%***	*RMB'000* (Unaudited)	*%*
Tutoring services	**1,068,625**	**85.6**	1,294,914	86.8
Sales of books and others	**179,695**	**14.4**	197,038	13.2
Total	**1,248,320**	**100.0**	1,491,952	100.0

- *Tutoring services.* Our revenue generated from tutoring services decreased by 17.5% from RMB1,294.9 million for the six months ended June 30, 2025 to RMB1,068.6 million for the six months ended June 30, 2026, primarily due to declining number of positions available through China's civil service exams, and intensifying competition in the relevant training industry.

- *Sales of books and others.* Revenue generated from sales of books and others was mainly related to (1) standalone sales activities in relation to our textbooks and learning materials through e-commerce platforms or to third-party book sellers, and (2) sales that accompany our tutoring services. Our revenue generated from sales of books and others decreased by 8.8% from RMB197.0 million for the six months ended June 30, 2025 to RMB179.7 million for the six months ended June 30, 2026, primarily due to intensifying market competition.

Cost of revenue

Our cost of revenue increased by 5.8% from RMB686.2 million for the six months ended June 30, 2025 to RMB726.1 million for the six months ended June 30, 2026 for the following reasons.

- *Tutoring services.* Our cost of revenue related to tutoring services increased by 8.6% from RMB552.4 million for the six months ended June 30, 2025 to RMB600.1 million for the six months ended June 30, 2026, primarily due to the severance payment to departing employees as a result of the Group's proactive optimization of personnel structure.

- *Sales of books and others.* Our cost of revenue related to sales of books and others decreased by 5.8% from RMB133.8 million for the six months ended June 30, 2025 to RMB126.0 million for the six months ended June 30, 2026, in line with the decrease in revenue generated from sales of books.

Gross profit and gross profit margin

Our gross profit decreased by 35.2% from RMB805.7 million for the six months ended June 30, 2025 to RMB522.2 million for the six months ended June 30, 2026, and the corresponding gross profit margin decreased from 54.0% to 41.8%. The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the periods indicated.

	Six months ended June 30,			
	2026		2025	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000 **(Unaudited)**	***%***	*RMB'000* (Unaudited)	*%*
Tutoring services	**468,502**	**43.8**	742,507	57.3
Sales of books and others	**53,670**	**29.9**	63,241	32.1
Total	**522,172**	**41.8**	805,748	54.0

- *Tutoring services.* Our gross profit margin for tutoring services decreased by 13.5 percentage points from 57.3% for the six months ended June, 30, 2025 to 43.8% for the six months ended June 30, 2026, primarily due to the severance payment to departing employees as a result of the Group's proactive optimization of personnel structure.

- *Sales of books and others.* Our gross profit margin for sales of books and others decreased by 2.2 percentage points from 32.1% for the six months ended June, 30, 2025 to 29.9% for the six months ended June 30, 2026, primarily because the revenue attributable to sales of books and others decreased, while the corresponding fixed cost of sales remained comparatively stable.

Administrative expenses

Our administrative expenses increased by 9.3% from RMB182.4 million for the six months ended June 30, 2025 to RMB199.3 million for the six months ended June 30, 2026, primarily due to the bonuses for administrative employees' performance.

Selling and marketing expenses

Our selling and marketing expenses increased by 18.1% from RMB306.3 million for the six months ended June 30, 2025 to RMB361.7 million for the six months ended June 30, 2026, primarily due to (1) the severance payment to departing employees as a result of the Group's proactive optimization of personnel structure, and (2) the increased investment of resources into the commercialization of our AI-related courses.

Research and development expenses

Our research and development expenses increased by 22.8% from RMB107.9 million for the six months ended June 30, 2025 to RMB132.4 million for the six months ended June 30, 2026, primarily due to the increased investment of resources in the development of AI-related courses.

Net impairment losses on financial assets

Our net impairment losses on financial assets decreased by 47.5% from RMB2.3 million for the six months ended June 30, 2025 to RMB1.2 million for the six months ended June 30, 2026, primarily due to a decrease in impairment losses on other receivables.

Other income

Our other income remained relatively stable at RMB8.5 million and RMB8.2 million for the six months ended June 30, 2025 and 2026, respectively.

Other (losses)/gains, net

We recorded other gains, net of RMB3.6 million for the six months ended June 30, 2025, as compared to other losses, net of RMB12.8 million for the six months ended June 30, 2026, primarily due to the investments in ETF products and listed securities.

Finance income, net

Our finance income, net decreased by 39.0% from RMB16.7 million for the six months ended June 30, 2025 to RMB10.2 million for the six months ended June 30, 2026, primarily because the decrease in our funds led to a corresponding decrease in the principal of term deposits, accompanied by a decline in the yield on such deposits compared with the corresponding period in 2025.

(Loss)/profit before income tax

As a result of the foregoing, we recorded loss before income tax of RMB167.6 million for the six months ended June 30, 2026, as compared to profit before income tax of RMB235.7 million for the six months ended June 30, 2025.

Income tax expense

Our income tax expense increased by 75.8% from RMB9.1 million for the six months ended June 30, 2025 to RMB15.9 million for the six months ended June 30, 2026, primarily due to a reversal of deferred income tax assets recognized for the losses carried forward from prior years partially offset by a decrease in the income taxes recorded in the six months ended June 30, 2026.

(Loss)/profit for the period

As a result of the foregoing, we recorded net loss of RMB183.5 million for the six months ended June 30, 2026, representing net loss margin of 14.7%, as compared to net profit of RMB226.7 million for the six months ended June 30, 2025, representing net profit margin of 15.2%.

Non-IFRS measure

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted net (loss)/profit as additional financial measures, which are not required by, or presented in accordance with IFRS. We define adjusted net (loss)/profit (non-IFRS measure) as profit/(loss) for the period adjusted by share-based payments. Share-based payments arise from granting options and restricted share units to employees. We exclude share-based payments as such expenses are non-cash in nature and do not result in cash outflows. We believe that the non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain non-cash or non-recurring items that our management does not consider indicative of our operating performance.

The following table reconciles our adjusted net (loss)/profit for the period presented to the most directly comparable financial measure calculated and presented under IFRS.

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(Loss)/Profit for the period	**(183,544)**	226,651
Add:		
Share-based payments	**25,152**	44,808
Adjusted net (loss)/profit (non-IFRS measure)	**(158,392)**	271,459

Financial assets at fair value through profit or loss

Our financial assets at fair value through profit or loss primarily consisted of our investments in wealth management products, ETF products and listed securities. Our financial assets at fair value through profit or loss increased from RMB132.1 million as of December 31, 2025 to RMB479.2 million as of June 30, 2026. The table below sets forth the details for the wealth management products, ETF products and listed securities as of June 30, 2026:

Name of financial institution/ counterparty	Name of the Product	Nature of the Product	Investment Period	Carrying amount as at June 30, 2026 *RMB'000*	% of the Group's total assets as at June 30, 2026	Credit Rating	Regulated Financial Institution
China CITIC Bank Beijing Xiaoying North Road Branch (中信銀行北京小營北路支行)	CITIC WM Anyingxiang Fixed Income Stable Profit 7-Day Holding Period No. 100 (信銀理財安盈象固收穩利七天持有期100號理財產品)	Non-guaranteed variable return	2025/4/22- (unredeemed)	10,194	0.6%	A-(S&P)	Yes
China CITIC Bank Beijing Wangjing Branch (中信銀行北京望京支行)	Anyingxiang Fixed Income Stable Profit Closed-End Period No. 765C (安盈象固收穩利封閉式756號C)	Non-guaranteed variable return	2026/1/22- 2026/7/22	1,009	0.1%	A-	Yes
United Overseas Bank Singapore Headquarters (大華銀行新加坡總行)	Bank of Communications (Tokyo) Issued Bonds (交行東京發行債券)	Non-guaranteed variable return	2025/10/28- 2026/9/4	4,053	0.2%	A-	Yes
United Overseas Bank Singapore Headquarters	Industrial and Commercial Bank of China (London) Issued Bonds (工行倫敦發行債券)	Non-guaranteed variable return	2025/10/31- 2026/10/30	16,112	0.9%	AA-	Yes
United Overseas Bank Singapore Headquarters	Bank of China (Hong Kong) Issued Bonds (中銀香港發行債券)	Non-guaranteed variable return	2025/11/12- 2026/11/4	20,790	1.1%	AA-	Yes

Name of financial institution/ counterparty	Name of the Product	Nature of the Product	Investment Period	Carrying amount as at June 30, 2026 *RMB'000*	% of the Group's total assets as at June 30, 2026	Credit Rating	Regulated Financial Institution
Bank Julius Baer & Co. Ltd. Hong Kong	BlackRock ICS US Dollar Liquidity Admin I-ACC	Non-guaranteed variable return	2026/4/29- (unredeemed)	81,448	4.4%	A-	Yes
Bank Julius Baer & Co. Ltd. Hong Kong	PICTET SICAV- PICTET SHORT- TERMMONEY MARKET USD SHS -R-CAF TALISATION	Non-guaranteed variable return	2026/5/11- (unredeemed)	68,437	3.8%	A-	Yes
Bank Julius Baer & Co. Ltd. Hong Kong	JP MORGAN LIQUIDITY FUNDS SICAV -USD STANDARD MONEY MARKET VNAVFUND SHS -A(ACC,) -CAPITALISATION	Non-guaranteed variable return	2026/5/11- (unredeemed)	68,411	3.7%	A-	Yes
Gulf Line Capital Advisors Limited	Participating Shares in Multi Strategy SP I of GL Capital International Fund SPC-Class A Shares	Non-guaranteed variable return	2025/2/18- (unredeemed)	35,581	1.9%	/	Yes
Gulf Line Capital Advisors Limited	Participating Shares in Multi Strategy SP I of GL Capital International Fund SPC-Class S2 Shares	Non-guaranteed variable return	2025/7/2- (unredeemed)	49,356	2.7%	/	Yes
METIS TECHBIO-P (劑泰科技－P)	METIS TECHBIO-P (劑泰科技－P)	Non-guaranteed variable return	2026/5/12- 2026/7/27	27	0.0%	/	Yes
Tradr ETFs	LITX－TRADR 2X LONG LITE DAILY ETF	Non-guaranteed variable return	2026/6/26- 2026/7/2	8,052	0.4%	/	Yes

Name of financial institution/ counterparty	Name of the Product	Nature of the Product	Investment Period	Carrying amount as at June 30, 2026 *RMB'000*	% of the Group's total assets as at June 30, 2026	Credit Rating	Regulated Financial Institution
Tradr ETFs	SNXX – TRADR 2X LONG SNDK DAILY ETF ("**Sandisk ETF**")	Non-guaranteed variable return	2026/6/26-2026/7/7	30,685	1.7%	/	Yes
GraniteShares	MULL – GRANITESHARES 2X LONG MU DAILY ETF ("**Micron ETF**")	Non-guaranteed variable return	2026/6/12-2026/7/7	85,056	4.6%	/	Yes
				479,211	**26.1%**		

To our best knowledge, each of the counterparties listed above is an independent third party.

We made acquisitions of wealth management products and structured deposits in order to preserve the time value of the cash reserves and to fund our business. Having noted that the financial returns from the transactions on wealth management products, structured deposits and short-term notes remained at a low level in recent years and the prosperity of the stock market particularly in AI technology related sectors, and in the context that the unsatisfactory operational results and continuing intense competition in the recruitment examination tutoring industry in the first half of 2026 had brought pressures to our management to put more emphasis on improving utilization efficiency of our Group's working capital, starting from May 2026, we also made investments in ETF products and/or listed securities of public companies in the AI technology related sectors on Chinese Mainland, Hong Kong and U.S. stock markets by utilizing the Group's own available fund during the six months ended June 30, 2026. As of the date of this announcement, our Group held listed securities of two public companies with an aggregate value of approximately US$5.4 million among its investments measured in FVTPL. Such listed securities were acquired from May to July 2026 and the Group will dispose of such listing securities subject to the market conditions. Save for the foregoing, our Group has no near-term intention of investment in other on-market trade of ETF products or listing securities.

During the Reporting Period, we had followed a set of stringent investment and treasury policies to manage our capital resources and mitigate potential risks involved. We would only use surplus fund to invest in financial products (including wealth management products and structured deposits), short-term notes, ETF products and listed securities. Before making acquisitions, we generally take into consideration a combination of factors, including risk exposure, liquidity, potential returns and whether such investments could diversity of the Company's investment portfolio to minimize risk exposure. Such investments typically consisted of a mix of low-risk products and high-risk products/securities issued by financial institutions and/or listed companies, and were redeemable on demand or within a short period after purchase.

Below is a summary of our internal control procedures in relation to the purchase and redemption of financial products, short-term notes, ETF products and listed securities:

(1) following the approval procedures for the purchase and redemption of financial products and short-term notes as outlined in the Fund Management Measures (資金管理辦法);

(2) assessing the financial products and short-term notes' respective terms, including among others, liquidity, risk and expected return by the Finance Department before submitting them to the chief financial officer for final decision;

(3) following the approval procedures for the purchase and disposal of ETF products and listed securities as outlined in the Securities Investment Management Guideline (證券投資管理指引) of the Company; and

(4) monitoring daily events which may have material impact to the invested ETF products and listed securities by the Investment Department, which reports such events to the executive Director for decision making.

Contract assets

Contract assets primarily represented our right to consideration in relation to our postpaid contractual classes that allow for postponed payment of a portion of the course fees only upon passing the relevant examinations. Our contract assets increased from RMB10.7 million as of December 31, 2025 to RMB54.0 million as of June 30, 2026, primarily due to the cyclical nature of the business that the interview test classes, constituting a higher portion of the postpaid contractual classes, are mostly sold in the first half of the year when the examinations are concentrated.

Other financial assets at amortized cost

Our other financial assets at amortized cost consisted of a short-term note issued by Wanhai Financial Holdings (HK) Limited ("**Wanhai**" or the "**Borrower**"), with guaranteed annual returns of 5.0% per annum for the Reporting Period. Our other financial assets at amortized cost decreased from RMB55.4 million as of December 31, 2025 to RMB47.3 million as of June 30, 2026.

We acquired the short-term note issued by Wanhai, a regulated financial institution and an independent third party, on May 30, 2026, and the investment period for such short-term note was expected to end on May 29, 2027. Historically, the annualized return of the short term notes issued by Wanhai ranged from 4.6% to 5% over the three years ended December 31, 2025 with no default record. The short-term note is unconditionally and irrevocably guaranteed as a primary obligation by Fortune Origin Securities Limited (the "**Guarantor**"). The Borrower and the Guarantor were both incorporated in Hong Kong.

The Company made significant acquisitions of short-term notes in order to improve the efficiency of the Company's idle fund. We would only make acquisitions after taking into consideration a combination of factors, such as liquidity needs, risk, and expected returns of such short-term notes. Please refer to the section headed "Financial Review − Financial Assets at Fair Value through Profit or Loss" in this announcement for details of the investment and treasury policies adopted by us, and the internal controls implemented over the relevant acquisitions in relation to the short-term note.

We apply the IFRS 9 general approach to measuring expected credit losses for other financial assets at amortized cost. Our Directors consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the relevant years. To assess whether there is a significant increase in credit risk, we compare the default risk in relation to the assets as at the reporting date with the default risk as at the date of initial recognition. The following indicators are taken into consideration, in particular:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

- actual or expected significant changes in the operating results of the counterparty; and

- significant changes in the expected performance and behavior of the counterparty, including changes in the payment status of the counterparty.

As at the reporting date, we believed that the credit risk on the other financial asset ("**Subject Financial Asset**") had not increased significantly since its initial recognition based on the following credit risk analysis conducted by Asia-Pacific Consulting and Appraisal Limited (the "**Valuer**"), an independent valuer engaged by us:

- *No significant changes of the credit rating of the Borrower:* the Valuer compared the credit ratings of the Subject Financial Asset calculated with Wanhai's historical financial performance and Moody's rating methodology for securities industry, there were no significant changes of the industry rating & scoring table issued by Moody's and the implied credit rating of Wanhai as at the reporting date with that as at the date of initial recognition;

- *Stability of business and financial condition:* based on the recent financial information of the Borrower and Guarantor, no material adverse changes had occurred or were anticipated in their business, financial condition or operating performance; and

- *No history of default or delayed payment:* we had invested in (1) a note instrument issued by the same Borrower with the same Guarantor on August 23, 2023 with an interest rate of 4.6% and a duration of 7 months, all the principal and interest of which were repaid in full upon maturity, and (2) a short-term note issued by the same Borrower with the same Guarantor in May 2024 with an interest of 5.0% and a duration of 12 months, which was renewed in May 2025 with a duration of 12 months. In May 2026, we received the interest payment in relation to the Subject Financial Asset and entered into a supplemental agreement with the Borrower to extend the maturity by one year, with the new maturity date being May 29, 2027.

Based on the analysis above, we believed that there were no significantly increased credit risk of the Subject Financial Asset as of the reporting date, and measured the loss allowance for the Subject Financial Asset based on 12-month expected credit losses. The Valuer adopted probability-weighted default model by considering multiple forward-looking scenarios based on probability of default and loss given default corresponding to the credit rating of the Borrower (calculated by Moody's rating methodology as mentioned above), from Moody's annual default study. Based on the model, the loss allowance ratio of the Subject Financial Asset was calculated to be 1.73%.

Contract liabilities

Our contract liabilities primarily represented prepaid course fees we received from our students for our tutoring services, for which our performance obligation had not been satisfied. Our contract liabilities increased from RMB131.1 million as of December 31, 2025 to RMB267.2 million as of June 30, 2026, primarily due to the seasonal impact of the relevant examinations. As the tutoring services had not yet been delivered, the corresponding prepaid course fees were not recognized as revenue. It is expected that most contract liabilities will be recognized within one year.

Refund liabilities

Our refund liabilities represented primarily the courses fees which we do not expect to be entitled to, including primarily the portion of course fees of our contractual classes for which we expect withdrawals or no-pass refund requests, and to a much lesser extent, the portion of course fees of other non-contractual classes at withdrawal and our online learning products, mainly including the expected refund fees from the challenge exercise product. Our refund liabilities decreased from RMB137.6 million as of December 31, 2025 to RMB98.3 million as of June 30, 2026, primarily because (1) the adjustment to our business development strategy, which resulted in a decrease in the proportion of course fees of no-pass refund for contractual classes, and (2) we made most refunds following the release of exam results during the six months ended June 30, 2026.

Liquidity and capital resources

For the six months ended June 30, 2026, our primary use of cash is to fund the daily operations of our business. We financed our capital expenditures and working capital requirements primarily through cash generated from our operating activities.

We have continued to maintain a healthy and sound financial position and have followed a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved. Our net current assets decreased from RMB934.3 million as of December 31, 2025 to RMB752.4 million as of June 30, 2026, primarily due to the net loss for the six months ended June 30, 2026.

Cash and cash equivalents

Our cash and cash equivalents primarily consisted of bank deposits on demand. Our cash and cash equivalents decreased from RMB869.1 million as of December 31, 2025 to RMB400.9 million as of June 30, 2026, which were mainly used for the investment into wealth management products, ETF products and listed securities during the six months ended June 30, 2026.

The following table sets forth our cash flows for the periods indicated.

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	**6,864**	213,278
Net cash used in investing activities	**(433,662)**	(155,108)
Net cash used in financing activities	**(25,957)**	(26,626)
Net (decrease)/increase in cash and cash equivalents	**(452,755)**	31,544
Cash and cash equivalents at beginning of the period	**869,141**	945,953
Exchange difference	**(15,438)**	(3,945)
Cash and cash equivalents at the end of the period	**400,948**	973,552

Exposure to exchange rate fluctuation

The functional currency of our subsidiaries in China is Renminbi, while the functional currency of our Company and subsidiaries outside China is U.S. dollar. Foreign exchange risk arises from the fluctuation in exchange where our monetary assets are denominated in currency other than functional currency. We recognized net foreign exchange losses of RMB0.7 million for the six months ended June 30, 2025, compared with net foreign exchange gains RMB0.8 million for the six months ended June 30, 2026.

In addition, we recorded exchange differences on translation of RMB4.2 million and RMB30.6 million as other comprehensive loss for the six months ended June 30, 2025 and 2026, primarily due to exchange rate fluctuations.

We have continued to closely track and manage our exposure to fluctuation in foreign exchange rates confronted by the majority of our deposits in foreign currencies. As of the date of this announcement, we do not have any foreign exchange derivative. Our management will continue to monitor the movement of the foreign currency rates and will take measures when necessary for the purpose of reducing our exposure to foreign currency exchange risk.

Capital expenditure

For the six months ended June 30, 2026, our total capital expenditure amounted to RMB7.7 million, as compared to RMB3.1 million for the six months ended June 30, 2025, which primarily consisted of purchases of property, plant and equipment. We funded our capital expenditure requirements primarily through cash generated from our operating activities for the six months ended June 30, 2026.

Capital commitments

As of June 30, 2026, we did not have any significant capital commitments (December 31, 2025: nil).

Contingent liabilities

As of June 30, 2026, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against any member of our Group.

Significant investments, material acquisitions and disposals

From May 12, 2026 to June 30, 2026, the Group traded the ETF units of CSOP SK Hynix Daily (2x) Leveraged Product (stock code: 7709) ("**Hynix ETF**") on the Stock Exchange. The last dealing was made on June 30, 2026 and the Group has not held any Hynix ETF unit since then. The total fund utilized for acquisitions for Hynix ETF was HK$76.8 million, which was equivalent to RMB66.8 million, and the Company realized a total investment loss of HK$16.9 million, which was equivalent to RMB14.7 million.

From May 27, 2026 to July 7, 2026, the Group traded the ETF units of Micron ETF on the NASDAQ. The last dealing was made on July 7, 2026 and the Group has not held any Micron ETF unit since then. The total fund utilized for acquisitions for Micron ETF was US$13.4 million, which was equivalent to RMB91.3 million, and the Company realized a total investment loss of US$4.6 million, which was equivalent to RMB31.6 million.

From May 27, 2026 to July 7, 2026, the Group traded the ETF units of Sandisk ETF on the NASDAQ. The last dealing was made on July 7, 2026 and the Group has not held any Sandisk ETF unit since then. The total fund utilized for acquisitions for Sandisk ETF was US$8.7 million, which was equivalent to RMB59.4 million, and the Company realized a total investment loss of US$1.6 million, which was equivalent to RMB10.7 million.

Save for the above, we did not hold any significant investments, nor did we have any material acquisitions or disposals of subsidiaries and affiliated companies for the six months ended June 30, 2026.

Future plans for material investments and capital assets

Save as disclosed in the prospectus of the Company dated December 23, 2022 (the "**Prospectus**") and this announcement, we did not have other substantial future plans for material investments and capital assets.

Charge on Group's assets

As of June 30, 2026, we had no charges on our assets (December 31, 2025: nil).

Borrowings and gearing ratio

As of June 30, 2026, we did not have any outstanding bank loans or other borrowings. Accordingly, the gearing ratio as of June 30, 2026 (as calculated by total interest-bearing bank borrowings divided by total equity as of the period end) was not applicable (December 31, 2025: N/A).

Key financial indicators

The following table sets forth certain of our key financial ratios as of the dates and for the periods indicated.

	As of/for the six months ended June 30,	
	2026	2025
Profitability ratios		
Gross profit margin(1)	**41.8%**	54.0%
Net (loss)/profit margin(2)	**(14.7)%**	15.2%
Adjusted net (loss)/profit margin (non-IFRS measure)(3)	**(12.7)%**	18.2%
Liquidity ratios		
Current ratio(4)	**2.2**	2.9
Quick ratio(5)	**2.1**	2.8
Current asset turnover ratio(6)	**0.9**	1.0
Total asset turnover ratio(7)	**0.7**	0.8

(1) The calculation of gross profit margin is based on gross profit divided by revenue for the period indicated and multiplied by 100.0%.

(2) The calculation of net (loss)/profit margin is based on net (loss)/profit divided by revenue for the period indicated and multiplied by 100.0%.

(3) The calculation of adjusted net (loss)/profit margin, a non-IFRS measure, is based on adjusted net (loss)/profit divided by revenue for the period indicated and multiplied by 100.0%.

(4) The calculation of current ratio is based on current assets divided by current liabilities as of the period end.

(5) The calculation of quick ratio is based on current assets less inventories divided by current liabilities as of the period end.

(6) The calculation of current asset turnover ratio is based on revenue for the respective period divided by average current assets for the respective period. The calculation of average current assets is based on the average of the opening balance and period-end balance of total current assets for the respective period.

(7) The calculation of total asset turnover ratio is based on revenue for the respective period divided by average total assets for the respective period. The calculation of average total assets is based on the average of the opening balance and period-end balance of total assets for the respective period.

OTHER INFORMATION

Use of Proceeds from the Global Offering

The ordinary shares of the Company (the "**Shares**") were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on January 9, 2023 (the "**Listing Date**"), whereby 20,000,000 new Shares were issued at the offer price of HK$9.90 each by the Company. The net proceeds from the global offering of the Company (the "**Global Offering**") received by the Company, after deduction of the underwriting fees and other related expenses payable by the Company, was approximately HK$113.2 million (the "**Net Proceeds**").

On August 13, 2025, the Company announced to change the use of the Net Proceeds by redirecting the entire unutilized Net Proceeds to AI research, development, infrastructure and implementation. Please refer to the announcement of the Company dated August 13, 2025 for details (the "**Announcement**"). The Net Proceeds had been used in accordance with the intended purposes as stated in the Prospectus and the Announcement. The Net Proceeds were fully utilized by June 30, 2026.

The following table sets forth the details of the Net Proceeds originally raised, utilized and unutilized Net Proceeds as of the dates indicated:

	Net Proceeds from the Global Offering as of the Listing Date	**Reallocated Net Proceeds as of January 1, 2026**	**Unutilized Net Proceeds as of January 1, 2026**	**Utilized Net Proceeds during the Reporting Period**	**Unutilized Net Proceeds as of June 30, 2026**
	Amount	*Amount*	*Amount*	*Amount*	*Amount*
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Enriching our course offerings and expanding our student base	58.9	11.7	–	–	–
Enhancing our content and technological development capabilities (group-wide for both online and classroom-based services)	32.2	32.2	–	–	–
Conducting marketing campaigns primarily for our newly developed courses (group-wide for both online and classroom-based services)	13.6	–	–	–	–
Working capital and other general corporate purposes (group-wide for both online and classroom-based services)	8.5	8.5	–	–	–
Investing in AI vertical model, technology research development and AI product commercialization	–	12.0	–	–	–
Investing in advanced AI related high-end talent and infrastructure	–	48.8	17.9	(17.9)	–
Total	**113.2**	**113.2**	**17.9**	**(17.9)**	**–**

Employees

As of June 30, 2026, the Group had 5,963 full-time employees, as compared to 7,005 full-time employees as of December 31, 2025. For the six months ended June 30, 2026, the Group incurred total staff costs (including Directors' emoluments) of RMB814.2 million, which primarily consisted of wages, salaries, bonuses, pension and other social security costs, and other employee welfare including share-based payments.

Substantially all of the Group's employees are based in China. As required under PRC labor laws, the Group enters into individual employment contracts with its employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In compliance with PRC regulations, the Group participates in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans.

To incentivize its employees and promote the long-term growth of the Company, the Company has also adopted the pre-IPO share option scheme (the "**Pre-IPO Share Option Scheme**"), the 2023 restricted share unit scheme (the "**2023 Restricted Share Unit Scheme**") and the 2023 share option scheme to provide equity incentive to the Group's employees, directors and senior management.

The Group provides robust training programs for its employees, which we believe are effective in equipping them with the skill set and work ethics. The Group recognizes the importance of keeping the Directors updated with the latest information of duties and obligations of a director of a company whose shares are listed on the Stock Exchange and the general regulatory and environmental requirements for such listed company. To meet this goal, the Group is committed to the continuing education and development of the Directors and employees of the Group.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended June 30, 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares). As of June 30, 2026, the Company held 30,557,000 treasury Shares (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")), which may be used for supplementing the share incentive schemes or for other purposes permitted under laws and regulations.

Compliance with Corporate Governance Code

The Group is committed to maintaining high standards of corporate governance. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the shareholders of the Company (the "**Shareholders**") and corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the "**CG Code**") under Part 2 of Appendix C1 to the Listing Rules as its own code of corporate governance.

During the Reporting Period, the Company has complied with all the applicable code provisions under the CG Code with the exception of code provision C.2.1. Details of such deviation are explained below.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individuals. The roles of the chairman and chief executive officer of the Company were then held by Mr. ZHANG Xiaolong. With extensive experience in the non-formal VET industry, Mr. ZHANG Xiaolong was responsible for the overall strategic planning and business development and operation, as well as overall technological and curriculum development of the Group and was instrumental to the growth and business expansion of the Group. The Board considered that vesting the roles of chairman and chief executive officer in Mr. ZHANG Xiaolong was beneficial to the management of the Group and ensured consistent leadership within the Group and enabled more effective and efficient overall strategic planning for the Group. The balance of power and authority was not impaired and was ensured by the operation of the senior management and the Board, which comprised experienced individuals. In light of the above, the Board considered that the deviation from code provision C.2.1 of the CG Code was appropriate in the circumstances of the Company. Upon resignation of Mr. ZHANG Xiaolong, Ms. SHENG Haiyan was appointed with effect from July 8, 2026 as an executive Director, chief executive officer and chairlady of the Board. For the similar reasons as stated above, the roles of chairman and the chief executive officer have not been separated. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman and the chief executive officer is necessary.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors.

Having made specific enquiries of all Directors, each of the Directors has confirmed that he or she has complied with the requirements as set out in the Model Code during the Reporting Period.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this announcement, the Company has maintained the public float as required under the Listing Rules.

Interim Dividend

The Board has resolved not to recommend payment of any interim dividend for the six months ended June 30, 2026 (six months ended June 30, 2025: nil).

Audit Committee and Review of Interim Financial Results

As of the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. YUEN Kai Yiu Kelvin, Mr. QIU Dongxiao Larry and Ms. YUAN Jia, with Mr. YUEN Kai Yiu Kelvin being the chairman of the Audit Committee.

The Audit Committee has reviewed the interim financial results of the Group for the six months ended June 30, 2026. The Audit Committee has also reviewed together with the management of the Company the accounting principles and policies adopted by the Company and the condensed consolidated interim financial information of the Group for the six months ended June 30, 2026 and discussed matters in relation to, among others, risk management, internal control and financial reporting of the Group. The Audit Committee considers that the interim financial results of the Group for the six months ended June 30, 2026 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

PricewaterhouseCoopers, the independent auditor of the Company, has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended June 30, 2026 in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity."

Events after the Reporting Period

On July 8, 2026, (i) Mr. ZHANG Xiaolong resigned as an executive Director, chief executive officer, chairman of the Board, a member of the remuneration committee of the Board and the chairman of the nomination committee of the Board, and an authorized representative of the Company, with effect from the even date, and (ii) Ms. SHENG Haiyan was appointed as an executive Director, chief executive officer, chairlady of the Board, a member of the remuneration committee of the Board and the chairlady of the nomination committee of the Board, and an authorized representative of the Company, with effect from the even date. Please refer to the announcement of the Company dated July 8, 2026 for details of Mr. ZHANG Xiaolong's resignation and Ms. SHENG Haiyan's appointment.

On August 21, 2026, Mr. WEI Liang resigned as the president of the Company, and was appointed as a non-executive Director, with effect from the even date. In addition, Mr. ZHANG Xiaolong and Mr. WEI Liang entered into a termination agreement to the concert party agreement dated September 6, 2021 and as amended on May 16, 2025 and May 15, 2026. Please refer to the announcement of the Company dated August 21, 2026 for details of Mr. WEI Liang's resignation as a president and his appointment as a non-executive Director, and the termination of the concert party agreement.

During the period from July 1, 2026 to the date of this announcement, our Group disposed of certain ETF products and listed securities purchased through open markets, and realized a total investment loss of approximately US$8,335,000, equivalent to RMB56,654,000, which has not been recognized as of June 30, 2026.

Save for the aforementioned, there has been no significant event since June 30, 2026 and up to the date of this announcement that is required to be disclosed by the Company.

Forward-Looking Statements

This announcement contains certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

PUBLICATION OF 2026 INTERIM RESULTS ANNOUNCEMENT AND 2026 INTERIM REPORT

This announcement is published on the website of the Stock Exchange (**www.hkexnews.hk**) and the website of the Company (**www.fenbi.com**). The interim report of the Company for the six months ended June 30, 2026 will be dispatched (if requested) to the Shareholders and published on the aforesaid websites in due course.

APPRECIATION

On behalf of the Board, I would like to express our sincere gratitude to the Shareholders for their continuous support, our customers, suppliers and business partners for their trust in the Company, and our staff and management team for their diligence, dedication, loyalty and integrity.

By order of the Board
Fenbi Ltd.
SHENG Haiyan
Chairlady

Hong Kong, August 27, 2026

As of the date of this announcement, the Board comprises Ms. SHENG Haiyan as executive Director; Mr. WEI Liang and Mr. WU Zhenggao as non-executive Directors; and Mr. QIU Dongxiao Larry, Mr. YUEN Kai Yiu Kelvin and Ms. YUAN Jia as independent non-executive Directors.