Bairong AI Inc.
百融智能

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

(Stock Code: 6608)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND CHANGE IN COMPOSITION OF BOARD COMMITTEE

The board (the "**Board**") of directors (the "**Directors**") of Bairong AI Inc. (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") is pleased to announce the unaudited interim results of the Group for the six months ended June 30, 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2025. These interim results have been reviewed by the Company's audit committee (the "**Audit Committee**").

In this announcement, "we", "us", "our" and "Bairong" refer to the Company and, where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to single digits or two decimal places. Any discrepancies in any table or elsewhere between totals and sums of amounts listed therein are due to rounding.

KEY HIGHLIGHTS

In terms of research and development, the Group is a full-stack AI company that combines domain-specific foundation model development with enterprise-grade AI agent deployment, having accumulated leading model capabilities, particularly in the field of AI Contact Center ("**AICC**"). In July 2026, BR-Voice, our multimodal voice foundation model, independently developed by the Group, achieved excellent results, ranking third globally and first among industry participants in China in the evaluation of the "Multilingual Conversational Speech Understanding" task at the MLC SLM Challenge of INTERSPEECH 2026. The Group continuously collects good case and bad case from deployment scenarios to feed back into the reward attribution and reinforcement learning closed loop, thereby iterating model capabilities and building a data flywheel of "business deployment, user feedback, model iteration, and business enhancement" to continuously enhance model performance.

In terms of financial performance, during the Reporting Period, the lending institution customers of the Group's legacy business[1] voluntarily suspended the operations of certain products in order to comply with regulatory requirements. As a result, the overall revenue of the Group decreased significantly and recorded a turnaround from profit to loss. However, the Group possesses ample long-term growth momentum. On the one hand, excluding a series of external industry impacts, the legacy business continued to record growth, reflecting its resilience. On the other hand, leveraging our leading technologies, we have achieved cross-industry breakthroughs, opening up new space for growth.

In terms of business, the Group's AICC Business has expanded into new use cases such as logistics and securities firms, demonstrating potential for cross-industry replication and scalable growth. In July 2026, the Group completed deployment for a benchmark client in logistics, with silicon workforce starting to handle complex inbound inquiries. The daily processing volume was less than 1,000 calls during the initial launch phase, which has currently increased to over 15,000 calls per day, with the longest call duration exceeding 20 minutes. As of August 2026, the Group has signed contracts with or has contract procedures underway for 13 securities firm clients, among which the number of silicon workforce deployed for a leading securities firm client increased from approximately 30 at the beginning of the year to around 210. The Group will continue to be committed to the deployment of new use cases and remains confident in our business prospects.

1 In the interim results announcement for the six months ended June 30, 2026, the Group made a reclassification based on business attributes. The aforementioned "legacy business" mainly refers to: (1) the business of assisting institutions in intelligent decision-making based on discriminative AI technology through the output of models and evaluation results (the former MaaS business); and (2) the business of assisting certain financial institutions in the intelligent marketing and intelligent operations of credit products through the self-developed AI VoiceGPT (part of former BaaS – Financial Scenario, and the products of the customers of such business were affected by a series of recent changes in the industry).

FINANCIAL SUMMARY

To enable the market to better understand the nature of our business, disaggregation of revenue by service type have been reclassified on its business attributes to conform with the current period's presentation.

	Six months ended June 30,		
	2026	2025	Change
	(Unaudited)	(Unaudited)	(%)
	(RMB in thousands, except percentages)		
Revenue	**914,320**	1,611,797	(43)
AI Decisioning Business[1]	**371,923**	502,023	(26)
AICC Business[2]	**165,767**	109,282	52
AICC for New Use Cases	**11,256**	3,816	195
AICC for the Lending Use Case[3]	**154,511**	105,466	47
Other Business[4]	**376,630**	1,000,492	(62)
Gross profit	**488,285**	1,182,428	(59)
Gross profit margin	**53%**	73%	(20)pct
Operating (loss)/profit	**(307,620)**	200,894	(253)
Operating profit margin	**(34)%**	12%	(46)pct
(Loss)/profit for the period	**(321,637)**	201,224	(260)
Net profit margin	**(35)%**	12%	(47)pct
Non-IFRS measures[5]			
Non-IFRS (loss)/profit for the period	**(256,615)**	254,449	(201)
Non-IFRS profit margin	**(28)%**	16%	(44)pct
Non-IFRS EBITDA	**(203,451)**	282,539	(172)
Non-IFRS EBITDA margin	**(22)%**	18%	(40)pct

Notes:

1. AI Decisioning Business primarily consists of revenue from the former MaaS business, which leverages discriminative AI technology to deliver intelligent analytics and decision-making capabilities to over an aggregate of 8,000 organizations through the output of models and assessment results.

2. The AICC Business is primarily based on AICC technology, providing cross-industry customers with silicon workforce (enterprise-grade agents) that deliver intelligent marketing, intelligent customer service and intelligent operation services, thereby transforming the traditional labor-intensive model through AI.

3. AICC for the Lending Use Case primarily represents the business of assisting certain financial institutions with the intelligent marketing and intelligent operation of credit products based on the self-developed AI VoiceGPT. It includes a portion of the revenue from the former "BaaS – Financial Scenario".

4. Other Business primarily consists of the revenue from serving certain financial institutions under the former BaaS – Financial Scenario and the BaaS – Insurance Scenario.

5. See the section headed "Non-IFRS Measures" for more information about the non-IFRS measures.

BUSINESS REVIEW AND OUTLOOK

The Group is a full-stack AI company that combines domain-specific foundation model development with enterprise-grade AI agent deployment. The Group has independently developed three domain-specific foundation models: BR-Voice, a multimodal voice foundation model focused on real-time voice interaction; BR-LLM-Proactive, a specific foundation LLM focused on intent recognition and proactive guidance; and BR-Vision-Doc, a multimodal document understanding foundation model focused on multilingual and multi-format document parsing. Together, these models power the Group's AI Decisioning Business and AICC Business.

The Group possesses leading domain-specific foundation model capabilities, particularly in AICC. In public benchmarks, real-world business operations, and client Proof of Concept (POC) testing, the Group's models have achieved leading results across various vertical tasks, including speech recognition, intent detection, multi-turn dialogue, and knowledge retrieval. For example, in July 2026, the Group's BR-Voice multimodal voice foundation model ranked third globally and first among industry participants in China in the "Multilingual Conversational Speech Understanding" task of the MLC SLM Challenge at INTERSPEECH 2026, achieving an outstanding test accuracy of 94.84%, which fully demonstrated its semantic understanding capabilities in long-duration multi-turn dialogues. Meanwhile, the Group is accelerating the development of its multimodal Full Duplex voice model capable of empowering the fields of embodied AI and wearable devices, and has completed multi-turn technical verification in open voice-pickup environments, with core interaction metrics meeting expectations.

Feedback from actual business users is the Group's core competitive advantage in maintaining its leading model capabilities. Subject to compliance with applicable laws and regulations, the Group continuously identifies positive and negative feedback from actual business deployment that cannot be synthesized, establishes reward attribution mechanisms, and accumulates reward signals as well as premium corpus for model training. This drives the ongoing optimization of models, service strategies, and interaction scripts, thereby creating a virtuous cycle of "business deployment, user feedback, model iteration, and business enhancement".

The commercial implementation of enterprise-grade AI agents is not solely determined on the foundational model itself.

Customer service for enterprise clients is subject to stringent service standards with a minimal margin of error. The evolution of AI from "being capable of conversing" to "being capable of executing actual tasks" is subject to a production-level implementation threshold. It requires the simultaneous fulfilment of multiple requirements, including a low comprehension error rate, high response accuracy, low latency, stable concurrent processing capacity, a reliable human handover mechanism, and comprehensive call quality inspection. These factors are also key to determining whether the relevant solutions can truly be put into operation.

In addition, traditional voice telephony usually adopts the narrowband voice standard with a sampling rate of 8,000 Hz, which retains significantly less acoustic information than the wideband audio with a sampling rate of 16,000 Hz in internet environments. Consequently, speech recognition, emotion perception, and speech synthesis in this context are far more challenging than internet AI voice. The Group has pre-trained a Specific Foundation LLM tailored for real-world telephony environments, continuously optimizing its narrowband speech recognition, noise reduction, user interruption handling, and turn-taking judgment capabilities, while independently building a complete engineering architecture covering telecom lines, softswitches, real-time audio transmission, and business system interfaces. Furthermore, compared with general-purpose LLMs that typically range from hundreds of billions to over a trillion parameters, the Group's pre-trained Specific Foundation LLM for telephony scenarios is compressed to a parameter range of 0.4B to 30B. This Specific Foundation LLM delivers significant commercial advantages, including substantially lower inference costs, reduced response latency, higher accuracy, and faster deployment.

In addition to model advantages, the Group maintains a dedicated Forward Deployed Engineer (FDE) team responsible for building enterprise-grade Agents deep on site at clients' premises. The FDE team is deployed on-site to gain a deep understanding of client business needs, operating rules, and system environments, the team builds and deploys AI agents capable of directly executing actual tasks. Once integrated into clients' business systems, silicon workforce can gradually take over the specific tasks and business processes originally handled by the carbon workforce, creating a complete closed loop from user interaction and task execution to result delivery. The FDE team also continuously optimizes the AI agents based on actual operational outcomes, ensuring stable delivery of business results in clients' real-world business scenarios.

Subsequent to the Reporting Period, the Group was also successfully included in the "2026 Top 50 Enterprise-grade AI Agent Applications" published by Internet Weekly by virtue of the "BR-Voice Full-Stack Voice System", marking that our entire suite of full-stack voice system, which covers voice perception, real-time understanding, dialogue decision-making, intelligent agent collaboration and terminal deployment, has gained industry recognition.

The aforementioned domain-specific model capabilities, actual business feedback closed loop, telecommunications engineering system, and on-site operational capabilities collectively constitute the Group's comprehensive capability system for enterprise-grade AI commercial implementation. Based on these capabilities, during the Reporting Period, the Group continued to advance its strategic upgrade, further extending the implementation capabilities of enterprise-grade Agents to new use cases including logistics, securities, banks, and operators, thereby promoting a more diversified customer structure. With the continuous expansion of application scenarios, centering on the requirements of enterprise customers in processes such as decision-making, contact and operations, the business structure of the Group principally consists of three major categories: AI Decisioning Business, AICC Business, and Other Business.

In the above business categories, the Group primarily adopts a RaaS (Result as a Service) model based on business results, actual deployment scale or the scale of business facilitated. Specific revenue models include, but are not limited to, revenue sharing based on the scale of transactions or business facilitated, and charging based on the actual number or workload of deployed silicon workforce, such as the volume of completed work tasks or the volume of effective calls without carbon workforce intervention, thereby directly linking the Group's revenue to the business results delivered to customers.

Their respective performance and progress during the Reporting Period are set out below.

AI Decisioning Business

The AI Decisioning Business is one of the Group's core operations, continuously generating profits for the Group while providing a solid foundation for the Group's ongoing investments in the operation and R&D of AICC Business.

In substance, this business leverages discriminative AI technology to deliver underwriting and risk control AI agents (Underwriting Agents) to financial institution clients. These silicon workforce are capable of automatically performing data analysis, risk identification, credit assessment, and decision output, thereby taking over the standard manual workflows in traditional underwriting and risk control positions. This enables financial institutions to enhance approval efficiency, decision accuracy, and risk management capabilities. Since its inception in 2017, this business has provided intelligent analytics and decision-making services to over 8,000 institutions.

Taking SME loan approval in inclusive finance scenarios as an example, subject to compliance authorization from enterprises, financial institutions typically assign dedicated risk management personnel to examine bank and third-party payment transaction records, evaluate operational conditions, revenue authenticity, and cash flow stability, and detect abnormal transactions. The Underwriting Agents automatically ingest and analyze these transaction statements, complete risk identification, and output assessment results to assist financial institutions in loan approval and credit extension decisions. Beyond loan underwriting, similar silicon workforces are also deployed in fraud detection, credit risk monitoring, and anti-money laundering (AML) scenarios.

This is a typical AI-native business. Powered by models and systems, these silicon workforces can automatically execute primary workflows, thereby significantly reducing business growth's dependence on operational headcount expansion and enabling the Group to support a large-scale business with a lean team. This business adopts a standardized pricing model, primarily charging service fees based on API call volumes or annual subscription fees, which demonstrates strong cash flow conversion capabilities.

During the Reporting Period, revenue generated from this business reached RMB 371.92 million, representing a year-on-year decrease of 26%, primarily due to that a small portion of clients served by this business are small and medium-sized financial institutions, whose business volumes contracted as a result of the sequential introduction and implementation of regulatory provisions governing online lending business since last year, leading to a corresponding reduction in API call volumes.

The decline in revenue does not indicate a corresponding change in the competitiveness of our products under this business, and its operational quality remains sound. During the Reporting Period, the number of key clients of this business stood at 141, with the revenue contribution ratio from key clients increasing from 76% in the same period last year to 84%, further concentrating the revenue structure on key clients such as banks and leading internet platform financial institutions. The key client retention rate reached 96%, continuing to maintain a high level.

The Group believes that this business is expected to gradually recover. On the one hand, as financial institutions' requirements for model performance and service capabilities continue to rise, their procurement demand is expected to further concentrate towards leading service providers with strong modeling and delivery capabilities. The Group will continue to enhance its model performance and service capabilities to drive a steady increase in market share. On the other hand, as the degree of intelligence among financial institutions continues to deepen, model applications are extending from pre-approval stages to more scenarios such as post-approval risk monitoring and management, leaving further room for growth in the depth of model calls per client.

The AI Decisioning Business will continue to serve as a cornerstone for the Group, providing cash flow to support the Group's strategic upgrade and the development of AICC Business.

Key metrics of AI Decisioning Business

	Six months ended June 30,		
	2026	2025	Change
	(Unaudited)	(Unaudited)	(%)
	(RMB in thousands, except percentages)		
Revenue from AI Decisioning Business	**371,923**	502,023	(26)
Percentage of revenue from Key Clients *(Note)*	**84%**	76%	8pct
Revenue from Key Clients of Banks and Internet Platform Institutions	**212,053**	209,308	1
Average revenue per Key Client	**2,215**	2,279	(3)
Retention rate of Key Clients	**96%**	98%	(2)pct

Note: "**Key Clients**" are defined as paying clients that each contributes more than RMB300,000 in total revenue to the Company year-to-date.

AI Contact Center (AICC) Business

The AICC Business represents the Group's core growth driver. Leveraging AICC (Contact Center) technology, the Group develops and deploys silicon workforce (enterprise-grade Agent) across multiple industries to handle customer service, intelligent marketing, inquiry services, and customer operations, thereby facilitating the gradual transformation of traditional, labor-intensive service processes into AI-driven operational models.

For the six months ended June 30, 2026, the Group's AICC Business recorded revenue of RMB165.77 million, representing an increase of approximately 52% compared to RMB109.28 million for the same period of 2025.

Under the traditional model, contact centers typically deploy thousands of agents, incurring substantial annual costs for manpower, recruitment, and training. Carbon workforces work long hours in enclosed environments, handling a high volume of frequent, repetitive calls and inquiries, with monotonous tasks and limited room for development. Employee turnover rates remain persistently high, and service quality tends to fluctuate. Silicon workforce, on the other hand, can take over high-frequency and repetitive tasks, while also leveraging large model capabilities to address more complex and open-ended user needs. They operate stably around the clock, rapidly complete call summarization and record-keeping after each call, and handle growing call volumes. This not only helps enterprises reduce service costs and enhance operational efficiency, but also allows carbon workforces to refocus on work that demands in-depth communication and emotional care.

The revenue model for the AICC Business is mainly based on the number of valid calls successfully completed without carbon workforce intervention, the number of silicon workforce deployed, or a revenue share from successfully facilitated transactions, etc. Rather than merely selling AI tools to clients, the Group integrates enterprise-grade Agents directly into clients' operational workflows to perform tasks originally handled by carbon workforce, driving a transition in customer service and operations from human-driven to AI-driven. Once AI agents are integrated into clients' business systems and consistently manage operations, related workflows, and collaboration models are restructured around AI, thereby deepening and solidifying long-term partnerships.

Categorised by industries served, the Group's AICC Business is divided into "AICC for New Use Cases" and "AICC for the Lending Use Case". Its performance during the Reporting Period is set out below.

AICC for New Use Cases

AICC for New Use Cases serves as a key growth driver for the Group to promote the cross-industry application of the AICC technology. Previously, the Group prioritized applying the AICC technology to lending use case, addressing the marketing and customer operation needs of financial institutions. Honed by the stringent requirements for a low comprehension error rate and high accuracy in original scenarios, the capabilities of the Group's AI agents have been thoroughly refined, which equips the Group with the advantage to expand outward into multiple industry use cases, and also lays a foundation for technology export to other verticals. During the Reporting Period, the Group further deployed silicon workforce (enterprise-grade Agent) across industries such as logistics, airlines, securities, banks, operators, and auto insurance, initially verifying the potential for cross-industry replication of the AICC capabilities. As the AICC for New Use Cases business continues to expand, the Group expects to diversify its client base and revenue streams, thereby enhancing the Group's ability to adapt to the impact of changes in a single industry.

For the six months ended June 30, 2026, AICC for New Use Cases generated revenue of RMB11.26 million, representing an increase of approximately 195% compared to RMB3.82 million year-on-year. Although this business currently accounts for a relatively small proportion of AICC's total revenue, its rapid revenue growth initially reflects the effectiveness of its commercial expansion.

The Group prioritizes focusing on expanding into industries with relatively concentrated market participants and a massive end-user base. Customer service demand in these sectors remains relatively stable, and the extensive end-user pool continuously generates substantial volumes of customer service, marketing, and operation needs, providing a solid foundation for the large-scale deployment of silicon workforce. Once a partnership is established and system integration along with the AI transformation of workflows is completed, the related services are capable of sustained operation and gradual expansion.

Subsequent to the Reporting Period, the Group has made significant progress in customer expansion in the logistics. In July 2026, the Group completed the deployment and launched services for a benchmark client in logistics. The silicon workforce commenced undertaking inbound inquiries such as parcel tracking inquiries, delivery exceptions, and complaints and feedback. The daily handling volume, which was less than 1,000 calls during the initial launch in July, has currently increased to over 15,000 calls per day, with the longest call duration exceeding 20 minutes. Unlike outbound scenarios where task routines are relatively fixed, inbound customer service requires handling a wide variety of unsolicited inquiries from users in real time. Given the diverse phrasing, varying content, and changing emotions of users, conversation paths are difficult to predefine, making it difficult for traditional NLP technology – which relies primarily on fixed rules and keyword matching – to handle such demands. The Group's AICC multimodal voice model is capable of recognizing user intent rapidly, understanding context, and capturing emotional nuances in real-time calls, and executing processing according to corresponding business workflows, thereby empowering silicon workforce to independently manage inbound inquiries.

In the logistics use case, the Group charges fees based on the number of valid calls successfully completed by silicon workforce without carbon workforce intervention, directly linking pricing to the actual service value delivered to clients. The fee for a single successful call handled by silicon workforce is lower than the corresponding carbon workforce service cost, helping clients reduce customer service operational expenses. As actual transaction volume increases, the Group's revenue grows in tandem with the volume of successful work orders and valid calls, establishing a recurring revenue model tied to clients' usage scale. Meanwhile, the continuous accumulation of industry know-how and user feedback further deepens the silicon workforce's understanding of logistics rules and user needs, thereby enhancing service effectiveness. Currently, the Group is expanding its client base within the logistics industry, with certain clients entering the Proof of Concept (POC) stage.

In addition to the logistics use case, the securities use case has also achieved continuous progress. Since 2026, the number of securities clients served by the Group has maintained steady growth. For instance, we successfully expanded our footprint to include several leading securities firms, where silicon workforce cover multiple stages of the client lifecycle by managing marketing, business inquiries, and customer operations. As of August 2026, the number of silicon workforce deployed for a leading securities firm client increased from approximately 30 at the beginning of the year to around 210, demonstrating that the client further scaled up its deployment after the effectiveness of relevant services was validated. The monthly fee for a silicon workforce remains lower than the comprehensive cost of a corresponding carbon workforce, enabling clients to reduce ongoing expenses related to recruitment, training, and other human resource support.

Going forward, the Group will continue to expand its client base and deepen cooperation with existing clients, driving the step-by-step, large-scale commercial implementation across validated use cases.

AICC for the Lending Use Case

The Group leverages AICC technology to assist financial institutions in conducting intelligent marketing and operations for relevant credit products. During the Reporting Period, the products served by this business were not affected by the series of recent changes in the industry. For the six months ended June 30, 2026, revenue from AICC for the Lending Use Case reached RMB154.51 million, representing an increase of approximately 47% compared to RMB105.46 million in the same period of 2025. Given that the lending industry environment remains in an adjustment phase with short-term uncertainties persisting, the Group maintains a cautiously optimistic outlook on AICC for the Lending Use Case.

Other Business

For the six months ended June 30, 2026, revenue from other businesses decreased by 62% year-on-year, which was primarily driven by a significant decline in revenue generated from intelligent marketing and operations for certain credit products, affected by the recent series of changes in the industry. The Group expects the revenue from serving such credit products to continue shrinking going forward, and it has therefore been categorized under the other businesses for management purposes.

	Six months ended June 30,	
	2026	2025
	(Unaudited)	(Unaudited)
	(RMB in thousands)	
Revenue		
AI Decisioning Business	**371,923**	502,023
AICC Business	**165,767**	109,282
AICC for New Use Cases	**11,256**	3,816
AICC for the Lending Use Case	**154,511**	105,466
Other Business	**376,630**	1,000,492
Total revenue	**914,320**	1,611,797
Cost of sales	**(426,035)**	(429,369)
Gross profit	**488,285**	1,182,428
Other income, other gains and losses	**112,550**	83,747
Research and development expenses	**(394,163)**	(301,542)
General and administrative expenses	**(123,509)**	(140,208)
Sales and marketing expenses	**(361,526)**	(606,276)
Impairment loss	**(29,257)**	(17,255)
Operating (loss)/profit	**(307,620)**	200,894
Finance income	**1,750**	8,941
Finance costs	**(3,489)**	(3,242)
Share of losses of associates	**(9,056)**	(5,195)
(Loss)/profit before tax	**(318,415)**	201,398
Income tax expense	**(3,222)**	(174)
(Loss)/profit for the period	**(321,637)**	201,224
Attributable to:		
Owners of the Company	**(320,208)**	190,264
Non-controlling interests	**(1,429)**	10,960

Revenue

Our total revenue was RMB914.32 million and RMB1,611.80 million for the six months ended June 30, 2026 and 2025, respectively, representing a decrease of 43% year-on-year. The decline in revenue was primarily attributable to the circular No. 9 of the National Financial Regulatory Administration issued in April 2025 and officially implemented on October 1, 2025, the "Notice on Strengthening the Management of the Internet Loan Facilitation Business of Commercial Banks and Improving the Quality and Efficiency of Financial Services", as well as continued implementation of a series of regulatory provisions promulgated in the first half of this year. In order to comply with the regulatory requirements, certain lending institution customers of our mature businesses voluntarily suspended the operations of certain products, resulting in a substantial decline in the Group's revenue from the relevant legacy businesses.

Our revenue from the AI Decisioning Business decreased by 26% from RMB502.02 million for the six months ended June 30, 2025 to RMB371.92 million for the six months ended June 30, 2026, primarily due to the fact that a small portion of the customers in this business are small and medium-sized financial institutions. Following the successive promulgation and implementation of a series of regulatory requirements targeting the online lending business since last year, their business volume contracted, leading to a corresponding decrease in the call volumes.

Our revenue from the AICC Business increased by 52% from RMB109.28 million for the six months ended June 30, 2025 to RMB165.77 million for the six months ended June 30, 2026. In particular, AICC for New Use Cases was not affected by the aforementioned regulatory requirements, and revenue from scenarios including dispute mediation, securities firms and banks, and other industries recorded a year-over-year increase. As for AICC for Lending Use Case, given that the industry remains in an adjustment phase with short-term uncertainties persisting, the Group maintains a cautiously optimistic outlook on "AICC for Lending Use Case".

Our revenue from Other Business decreased by 62% from RMB1,000.49 million for the six months ended June 30, 2025 to RMB376.63 million for the six months ended June 30, 2026. The change was primarily driven by a significant decline in revenue generated from intelligent marketing and operations for certain credit products, affected by the recent series of changes in the industry.

Cost of sales

Our cost of sales decreased by 1% from RMB429.37 million for the six months ended June 30, 2025 to RMB426.04 million for the six months ended June 30, 2026, primarily due to a substantial decrease in data costs and operating costs resulting from the contraction in the revenue scale of the legacy business, partially offset by an increase in brokerage commissions driven by the growth in the premium scale of the former BaaS – Insurance Scenario.

Gross profit and gross margin

As a result of the foregoing, the Group's gross profit decreased by 59% from RMB1,182.43 million for the six months ended June 30, 2025 to RMB488.29 million for the six months ended June 30, 2026. The Group's gross profit margin decreased from approximately 73% for the six months ended June 30, 2025 to 53% for the six months ended June 30, 2026, which was primarily because the Group's mature businesses, which generally carry relatively higher gross profit margins, declined both in revenue and as a proportion of the Group's total revenue.

Research and development expenses

The Group's research and development expenses increased by 31% from RMB301.54 million for the six months ended June 30, 2025 to RMB394.16 million for the six months ended June 30, 2026, primarily attributable to the increase in the staff costs of our research and development personnel in the AI field to consolidate our talent foundation and enhance our core competitiveness in AI. Research and development expenses as a percentage of revenue increased by 24 percentage points to 43%.

General and administrative expenses

The Group's general and administrative expenses decreased by 12% from RMB140.21 million for the six months ended June 30, 2025, to RMB123.51 million for the six months ended June 30, 2026, primarily due to the decrease in consultation and other professional service fee.

Sales and marketing expenses

Our sales and marketing expenses decreased by 40% from RMB606.28 million for the six months ended June 30, 2025 to RMB361.53 million for the six months ended June 30, 2026, primarily due to the decrease in information technology services, promotion, advertising and other related expenses.

Other income, other gains and losses

Our other income increased by 34% from RMB83.75 million for the six months ended June 30, 2025 to RMB112.55 million for the six months ended June 30, 2026. This is primarily due to increase of net gains on financial investments measured at fair value through profit or loss mainly from the fair-value change of the investment in venture capital and private equity funds partially offset by the decrease in foreign exchange losses which was mainly due to the variance from the appreciation of RMB against USD affected by macro environment. The Board will remain alert to any relevant risks and, if necessary, consider hedging material potential foreign exchange risk.

(Loss)/profit for the period

As a result of the foregoing, the Group turned from a profit of RMB201.22 million for the six months ended June 30, 2025 to a loss of RMB321.64 million for the six months ended June 30, 2026.

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use non-IFRS profit and non-IFRS EBITDA as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items which our management considers non-indicative of our operating performance.

We believe these measures provide useful information to investors and others in understanding and evaluating our consolidated statement of profit or loss in the same manner as they help our management. However, our presentation of non-IFRS profit and non-IFRS EBITDA may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitutes for an analysis of, our results of operations or financial condition as reported under IFRSs.

We define non-IFRS (loss)/profit as (loss)/profit for the period, excluding share-based compensation. We define non-IFRS EBITDA as EBITDA excluding share-based compensation. We exclude these items because they are not expected to result in future cash payments that are recurring in nature and they are not indicative of our core operating results and business outlook.

The following table reconciles our non-IFRS (loss)/profit for the six months ended June 30, 2025 and 2026 and non-IFRS EBITDA presented to the most directly comparable financial measure calculated and presented in accordance with IFRSs, which is (loss)/profit for the period:

Reconciliation of (loss)/profit to non-IFRS (loss)/profit for the period:

	Six months ended June 30,	
	2026	2025
	(unaudited)	(unaudited)
	(RMB in thousands)	
(Loss)/profit for the period	**(321,637)**	201,224
Add		
Share-based compensation[1]	**65,022**	53,225
Non-IFRS (loss)/profit for the period	**(256,615)**	254,449
Non-IFRS profit margin for the period[2]	**(28)%**	16%

Reconciliation of (loss)/profit to EBITDA and non-IFRS EBITDA for the period:

	Six months ended June 30,	
	2026	2025
	(unaudited)	(unaudited)
	(RMB in thousands)	
(Loss)/profit for the period	**(321,637)**	201,224
Add		
Finance income	**(1,750)**	(8,941)
Finance costs	**3,489**	3,242
Income tax expense	**3,222**	174
Depreciation	**47,672**	32,977
Amortization	**531**	638
EBITDA	**(268,473)**	229,314
Add		
Share-based compensation[1]	**65,022**	53,225
Non-IFRS EBITDA	**(203,451)**	282,539
Non-IFRS EBITDA margin[3]	**(22)%**	18%

Notes:

(1) Share-based compensation relates to the share options and share award schemes that we granted under our share incentive plans, which is a non-cash expense that is commonly excluded from similar non-IFRS measures adopted by other companies in our industry.

(2) Represents non-IFRS (loss)/profit divided by revenue for the periods presented.

(3) Represents non-IFRS EBITDA divided by revenue for the periods presented.

Liquidity and source of funding and borrowing

Other than the proceeds from the Global Offering, we have historically funded our cash requirements principally from cash generated from our operations and shareholder equity contributions. To monitor liquidity risk, we monitor and maintain a level of cash and cash equivalents and cash resources as deemed adequate by our senior management to finance our operations.

The Group had cash and cash equivalents of RMB692.69 million and cash resources of RMB1,733.61 million as at June 30, 2026, compared to the balance of RMB725.96 million and RMB2,650.84 million as of June 30, 2025, respectively. The cash resources included restricted cash, time deposits and treasury investments.

Significant investments

The Group did not make or hold any significant investments during the six months ended June 30, 2026.

The Board confirmed that the Group's transactions in financial assets during the Reporting Period, on a standalone basis and aggregate basis, did not constitute notifiable transactions under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Material acquisitions and disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the six months ended June 30, 2026.

Pledge of assets

The Group had not pledged any assets as at June 30, 2026.

Future plans for material investments or capital assets

Save as disclosed in this Announcement, the Group did not have detailed future plans for material investments or capital assets as at June 30, 2026.

Gearing ratio

As at June 30, 2026, the Group's gearing ratio (i.e. total liabilities divided by total assets) was 0.12 (as at December 31, 2025: 0.14).

Foreign exchange exposure

During the six months ended June 30, 2026, the Group mainly operated in China and the majority of the transactions were settled in RMB, the Company's consolidated affiliated entities' functional currency. As at June 30, 2026, except for bank deposits and investments denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations.

Contingent liabilities

The Group had no material contingent liabilities as at June 30, 2026.

Capital commitment

The Group had no material capital commitment as at June 30, 2026.

Employees and remuneration

As at June 30, 2026, the Group had a total of 1,477 employees. The following table sets forth the total number of employees by function as at June 30, 2026:

Function	As at June 30, 2026	As % of Total Employees
Sales and marketing	301	20%
Research and development	901	61%
Customer service	124	9%
General administration	151	10%
Total	**1,477**	100%

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer our employees with competitive compensation packages, including competitive salaries, performance-based cash bonuses and other incentives. The total remuneration cost incurred by the Group for the six months ended June 30, 2026 was RMB598.06 million, as compared to RMB495.39 million for the six months ended June 30, 2025.

The Company has also adopted a 2024 share scheme and a restricted share unit scheme to incentivize its employees. To maintain the quality, knowledge and skill levels of our employees, we regularly organize training activities for our employees.

CORPORATE GOVERNANCE

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

Compliance with the Corporate Governance Code

The Company had complied with the applicable code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 to the Listing Rules (as amended from time to time) during the six months ended June 30, 2026 save for the deviation below.

Pursuant to 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 individual. The Company deviates from this provision because Mr. Zhang Shaofeng ("**Mr. Zhang**") performs both the roles of chairperson of the Board and the chief executive officer of the Company. Mr. Zhang is the founder of the Group and has extensive experience in the business operations and management of the Group. The Board believes that vesting the roles of both chairperson and chief executive officer to Mr. Zhang has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning. This structure will enable our Company to make and implement decisions promptly and effectively.

Our Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees and our three independent non-executive Directors. The Board will reassess the division of the roles of chairperson and chief executive officer from time to time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of the Group as a whole.

Compliance with the Model Code for Securities Transactions by Directors

The class B ordinary shares ("**Class B Shares**") were listed on the Stock Exchange on March 31, 2021, since which time the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules ("**Model Code**") has been applicable to the Company.

The Company has adopted the Management Trading of Securities Policy (the "**Code**"), with terms no less exacting than the Model Code, as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Code during the Reporting Period and up to the date of this announcement.

Audit Committee

The Group has established the Audit Committee comprising three members, being Mr. Zhang James Jian, Professor Chen Zhiwu, and Dr. Li Yao, with Mr. Zhang James Jian (being the independent non-executive Director with the appropriate professional qualifications) as the chairperson of the Audit Committee.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2026 and has met with Deloitte Touche Tohmatsu ("**DTT**"), the Group's independent auditor (the "**Auditor**"). The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control and financial reporting matters with senior management members of the Company.

In addition, the Auditor, DTT, has reviewed the unaudited interim financial report of the Group for the six months ended June 30, 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Other Board committees

In addition to the Audit Committee, the Board has also established a nomination committee, a remuneration committee and a corporate governance committee.

OTHER INFORMATION

Purchase, sale or redemption of the Company's listed securities

During the Reporting Period, the Company repurchased a total of 11,822,500 Class B Shares (the "**Shares Repurchased**"), all of which were held as treasury shares (as defined under the Listing Rules) as at June 30, 2026, on the Stock Exchange at an aggregate consideration (including transaction cost) of approximately HK$141.63 million including expenses to enhance the Company's shareholder value in the long run. Subject to compliance with the Listing Rules, the Company may consider applying such treasury shares for resale, consideration of future acquisitions, funding share schemes of the Company, or may cancel such treasury shares. As at June 30, 2026 and the date of this announcement, there are no outstanding Class B Shares (excluding treasury shares) that were repurchased and not yet cancelled. As at June 30, 2026, the Company held 18,145,500 Class B Shares held as treasury shares. Subsequent to the Reporting Period up to the date of this announcement, the Company repurchased an additional 3,676,000 Class B Shares held as treasury shares on the Stock Exchange at an aggregate consideration of approximately HK$18.01 million including expenses.

Particulars of the Shares Repurchased during the Reporting Period are as follows:

Month of repurchase	No. of Class B Shares repurchased	Highest price paid per Class B Share *(HK$)*	Lowest price paid per Class B Share *(HK$)*	Aggregate Consideration *((HK$ million)*
January	7,095,500	12.56	11.09	87.87
February	4,727,000	11.70	10.90	53.75
Total	**11,822,500**			**141.63**

A total of 3,274,500 Class B Shares repurchased from April 28, 2025 to June 6, 2025 were cancelled on February 9, 2026. A total of 525,482 Class A Shares were proportionately converted into Class B Shares on a one-to-one ratio on February 9, 2026.

In addition, 5,444,000 Class B Shares were purchased by trustees of the Company's share award schemes on the market during the Reporting Period to satisfy share awards to be vested in subsequent periods.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including any sale of treasury shares) listed on the Stock Exchange during the six months ended June 30, 2026.

Material litigation

The Company was not involved in any material litigation or arbitration during the six months ended June 30, 2026. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period and up to the date of this announcement.

Dividends

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2026.

Use of proceeds from the Global Offering

On March 31, 2021, the shares of the Company were listed on the Main Board of the Stock Exchange (the "**Global Offering**"). The net proceeds from the Global Offering were approximately RMB3,170.39 million (the "**IPO Proceeds**"), after deducting underwriting commissions and total expenses paid by the Company in connection with the Global Offering.

As disclosed in the Company's interim results announcement dated August 29, 2024, having considered the Company's operational status and business developments then, the Board resolved to extend the expected timeline for the use of the unutilised IPO Proceeds for (i) the enhancement of efforts in research and development; and (ii) working capital and general corporate purposes from the end of 2024 to the end of 2026 (the "**Extension of Utilisation Timeline**"). Save for the Extension of Utilisation Timeline, the Group has gradually utilised the IPO Proceeds in accordance with the intended purposes stated in the Prospectus. For details, please refer to the following table:

	IPO Proceeds from the Global Offering *(RMB million)*	**Proportion**	**Unutilised net amount as at January 1, 2026** *(RMB million)*	**Amount utilised during the Reporting Period** *(RMB million)*	**Unutilised amount as at June 30, 2026** *(RMB million)*	**Expected timeline of full utilisation of the unutilised IPO Proceeds**
Fund business expansion with a goal to expand FSP client base and penetrate into existing FSP client base	1,426.68	45%	–	–	–	Not applicable
Enhance efforts in research and development	951.12	30%	–	–	–	Not applicable
Pursue strategic investments and acquisitions to expand our existing product and service offerings, improve our technology capabilities, and enhance our value proposition to FSP clients	475.56	15%	–	–	–	Not applicable
Working capital and general corporate purposes	317.03	10%	25.79	25.79	–	Not applicable
Total	3,170.39	100%	25.79	25.79	–	

As at June 30, 2026, the net proceeds from the Global Offering have been fully utilised.

Placing of Non-listed Warrants under Specific Mandate

References are made to the announcements of the Company dated April 20, 2026, June 17, 2026 and July 16, 2026 and the circular of the Company dated June 26, 2026 (the "**Circular**"), in relation to the placing of non-listed warrants under specific mandate. Unless otherwise specified, capitalized terms used in this section shall have the same meanings as those defined in the Circular.

Pursuant to the Warrant Placing Agreement dated April 20, 2026 and the Supplemental Agreement dated June 17, 2026, the Placing Agent has conditionally agreed to place, on a best efforts basis, up to 37,393,500 non-listed transferable Warrants conferring rights to subscribe for Class B Shares, exercisable in whole or in part at any time during the Exercise Period at the original Exercise Price of HK$8.00 per Warrant Share (subject to adjustments) to the Placee(s) who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties. Each Warrant carries the right to subscribe for one new Class B Share. The Placing Price is HK$0.29 for each Warrant. The Placing is conditional upon fulfilment of several conditions as set out in the paragraph headed "Conditions of the Placing" in the Circular.

Assuming the maximum number of the Warrants are placed at the Placing Price, the gross proceeds and net proceeds from the issue of the Warrants would be approximately HK$10,844,115 and HK$10,119,115, respectively. The net proceeds from the issue of the Warrants are expected to be used for (i) the enhancement of efforts in research and development; and (ii) working capital and general corporate purposes. Assuming the full exercise of the Subscription Rights attaching to the maximum number of Warrants at the Exercise Price, additional gross proceeds of up to approximately HK$299,148,000 would be raised.

The Placing was approved by the Shareholders at the extraordinary general meeting of the Company held on July 16, 2026. The Placing was completed on August 26, 2026 in accordance with the terms and conditions of the Warrant Placing Agreement.

Events after the Reporting Period

On July 2, 2026, the Company granted 3,132,500 share awards in aggregate to employees of the Group (each entitling the holder thereof to subscribe for one Class B Share) under the 2024 share scheme of the Company, representing approximately 0.83% of the total Class B Shares in issue (excluding any treasury Shares) as at the date of the grant. For further details in relation to the grant of share awards, please refer to the announcement of the Company dated July 2, 2026.

Save as disclosed in this announcement, there were no other significant events that might affect the Group after the Reporting Period.

FINANCIAL INFORMATION

Condensed consolidated statement of profit or loss and other comprehensive income
for the six months ended June 30, 2026 (unaudited)
*Expressed in Renminbi ("**RMB**")*

	Note	**Six months ended June 30,** **2026** ***RMB'000***	2025 *RMB'000*
Revenue	*3*	**914,320**	1,611,797
Cost of sales		**(426,035)**	(429,369)
Gross profit		**488,285**	1,182,428
Other income, other gains and losses	*4*	**112,550**	83,747
Research and development expenses		**(394,163)**	(301,542)
General and administrative expenses		**(123,509)**	(140,208)
Sales and marketing expenses		**(361,526)**	(606,276)
Impairment loss	*5*	**(29,257)**	(17,255)
Operating (loss)/profit		**(307,620)**	200,894
Finance income		**1,750**	8,941
Finance costs		**(3,489)**	(3,242)
Share of losses of associates		**(9,056)**	(5,195)
Profit before tax	*5*	**(318,415)**	201,398
Income tax expense	*6*	**(3,222)**	(174)
(Loss)/profit for the period		**(321,637)**	201,224
Attributable to:			
Owners of the Company		**(320,208)**	190,264
Non-controlling interests		**(1,429)**	10,960
(Loss)/profit for the period		**(321,637)**	201,224
(Losses)/earnings per share			
Basic (RMB)	*7*	**(0.72)**	0.43
Diluted (RMB)	*7*	**(0.72)**	0.42

Condensed consolidated statement of profit or loss and other comprehensive income (continued)
for the six months ended June 30, 2026 (unaudited)
Expressed in RMB

		Six months ended June 30,	
	Note	**2026**	2025
		RMB'000	*RMB'000*
(Loss)/profit for the period		**(321,637)**	201,224
Other comprehensive expense for the period			
Items that may be reclassified subsequently to profit or loss			
Share of other comprehensive income of investments accounted for using the equity method		**(43)**	(3)
Exchange differences arising on translation of foreign operations		**(2,005)**	–
Total comprehensive (expense)/income for the period		**(323,685)**	201,221
Attributable to:			
Owners of the Company		**(322,256)**	190,261
Non-controlling interests		**(1,429)**	10,960
Total comprehensive (expense)/income for the period		**(323,685)**	201,221

Condensed consolidated statement of financial position
as at June 30, 2026 (unaudited)
Expressed in RMB

	Note	**June 30, 2026** **RMB'000**	December 31, 2025 *RMB'000*
Non-current assets			
Property, plant and equipment		**123,230**	122,258
Intangible assets		**29,205**	29,687
Right-of-use assets		**102,149**	122,531
Goodwill		**24,652**	24,652
Financial assets at fair value through profit or loss	*9*	**1,035,591**	738,744
Prepayment of acquisition of investment		**69,484**	–
Interests in associates		**354,983**	375,498
Deferred tax assets		**18,235**	18,409
Time deposits		**190,000**	190,000
Restricted cash		**7,206**	7,206
		1,954,735	1,628,985
Current assets			
Prepaid expenses and other current assets		**104,819**	78,714
Financial assets at fair value through profit or loss	*9*	**642,466**	590,922
Loans receivables		**210,345**	244,902
Trade receivables	*10*	**432,980**	487,265
Time deposits		**750,570**	1,585,647
Restricted cash		**1,622**	1,551
Cash and cash equivalents		**692,686**	725,958
		2,835,488	3,714,959
Current liabilities			
Trade payables	*11*	**88,272**	151,568
Contract liabilities		**34,353**	38,993
Lease liabilities		**40,864**	45,783
Current taxation		**19,678**	17,108
Accrued expenses and other current liabilities		**329,701**	387,028
		512,868	640,480
Net current assets		**2,322,620**	3,074,479
Total assets less current liabilities		**4,277,355**	4,703,464

Condensed consolidated statement of financial position (continued)
as at June 30, 2026 (unaudited)
Expressed in RMB

	Note	**June 30, 2026** *RMB'000*	December 31, 2025 *RMB'000*
Non-current liabilities			
Lease liabilities		**62,925**	79,121
Deferred tax liabilities		**7,895**	7,524
		70,820	86,645
NET ASSETS		**4,206,535**	4,616,819
Equity			
Share capital		**71**	71
Treasury shares		**(221,727)**	(108,168)
Reserves		**4,419,738**	4,715,034
Total equity attributable to owners of the Company		**4,198,082**	4,606,937
Non-controlling interests		**8,453**	9,882
TOTAL EQUITY		**4,206,535**	4,616,819

Condensed consolidated statement of cash flows
for the six months ended June 30, 2026 (unaudited)
Expressed in RMB

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Net cash (used in)/generated from operating activities	**(380,131)**	150,740
Net cash generated from/(used in) investing activities	**535,602**	(37,348)
Net cash used in financing activities	**(180,679)**	(53,885)
Net (decrease)/increase in cash and cash equivalents	**(25,208)**	59,507
Cash and cash equivalents at the beginning of the period	**725,958**	778,392
Effect of foreign exchange rate changes	**(8,064)**	(4,381)
Cash and cash equivalents at the end of the period	**692,686**	833,518

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

The condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with International Accounting Standard ("**IAS 34**") "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**SEHK**").

2. Changes in accounting policies

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

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

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

3. Revenue

The principal activities of the Group are providing AI-powered technology services in the PRC, comprising AI decisioning business, AICC business (including AICC for lending use cases and AICC for the new use case) and other business.

(a) Disaggregation of revenue by service type

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
AI decisioning business	**371,923**	502,023
AICC business	**165,767**	109,282
AICC for the lending use case	**154,511**	105,466
AICC for new use cases	**11,256**	3,816
Other business	**376,630**	1,000,492
Total	**914,320**	1,611,797

To enable the market to better understand the nature of our business, disaggregation of revenue by service type have been reclassified on its business attributes to conform with the current period's presentation.

(b) Disaggregation by timing of revenue recognition

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Point-in-time	**482,122**	992,012
Over-time	**406,398**	603,838
Others *(note)*	**25,800**	15,947
Total	**914,320**	1,611,797

Note: Others comprise interest income on loans receivables accounted for within the scope of IFRS 9.

(c) Revenue recognition policies

(i) AI decisioning business

The Group provides AI decisioning services that leverage proprietary decision-making artificial intelligence technology to support institutional clients in intelligent decision-making through model outputs and evaluation results. Service fees are charged on a query-volume basis or under annual subscription arrangements with periodic reconciliation arrangements. The Group acts as the principal in the arrangement. The customer simultaneously receives and consumes the benefits of the service as it is delivered, and the Group has an unconditional right to payment for performance completed to date. Accordingly, the provision of AI decisioning services constitutes a performance obligation satisfied over time. Revenue is recognised pro rata to actual query volume for usage-based contracts and over the service period – on a straight-line basis for subscription-based contracts with unlimited usage.

(ii) AICC business

The AICC Business provides silicon-based customer service agents (enterprise-level agents) across multiple industries to handle customer service, intelligent marketing, inquiry services, and customer operations. Revenue from AI agent deployment is recognized over time based on the deployment period of enterprise-grade intelligent agents, and performance-based revenue, including revenue shares from facilitated transactions, is recognised at the point when the underlying transactions are successfully completed. The Group's AICC business consists of AICC for New Use Cases and AICC for the Lending Use Case.

(iii) Other business

Other business mainly comprises insurance brokerage services and revenue from intelligent marketing and operations for in respect of certain credit products from customers. Insurance service fees are commissions computed at contract-specified rates on facilitated insurance premiums. Revenue is recognised at a point in time when the signed insurance policy is in place. The significant decline in revenue generated by intelligent marketing and operations for certain credit products was affected by the recent series of changes in the industry.

(d) Contract liabilities

	As at June 30, 2026 *RMB'000*	As at December 31, 2025 *RMB'000*
Contract liabilities	**34,353**	38,993

Contract liabilities represent advance consideration received from clients for subscription-based services or prepaid service fees.

(e) Remaining performance obligations

The Group has elected the practical expedient not to disclose the information about remaining performance obligations for contracts that have an original expected duration of one year or less, and for contracts in which the Group recognises revenue at the amount to which the Group has the right to invoice.

4. Other income, other gains and losses

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Net gains on financial investments measured at FVTPL[(i)]	**123,377**	23,209
Interest income from time deposits	**15,724**	23,057
Government grants and others	**6,094**	19,004
Net gains on disposal of subsidiaries	**–**	22,858
Foreign currency exchange loss	**(32,645)**	(4,381)
	112,550	83,747

Note:

(i) Net gains on financial investments measured at FVTPL for the six-months ended June 30, 2026 are mainly the fair-value change of the investment in venture capital and private equity funds.

5. (Loss)/profit for the period

(Loss)/profit for the period has been arrived at after charging the following items:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Insurance brokerage commission, operating and marketing expenditures	**443,592**	704,602
Analytics service costs	**63,785**	77,807
Staff cost		
Salaries, wages and other benefits	**447,718**	402,752
Equity-settled share-based compensation expenses	**65,022**	53,225
Contributions to defined contribution retirement plan	**46,641**	34,679
Termination benefits	**38,680**	4,729
	598,061	495,385
Depreciation of right-of-use assets	**26,170**	18,338
Depreciation of property and equipment	**21,502**	14,639
Amortisation of intangible assets	**531**	638
Total depreciation and amortisation	**48,203**	33,615
Trade receivables and others	**4,621**	11,496
Loans	**24,636**	5,759
Impairment loss	**29,257**	17,255

6. Income tax expense

	Six months ended June 30, 2026 *RMB'000*	2025 *RMB'000*
Current income tax	**2,678**	2,170
Deferred income tax	**544**	(1,996)
	3,222	174

7. (Losses)/earnings per share

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

	Six months ended June 30, 2026	2025
(Loss)/profit for the period attributable to owners of the Company (RMB'000)	**(320,208)**	190,264
Weighted average number of ordinary shares for the purpose of basic (losses)/earnings per share	**444,681,664**	442,648,756
Adjustments for share options and share award schemes	**–**	12,494,541
Weighted average number of ordinary shares for the purpose of diluted (losses)/earnings per share	**444,681,664**	455,143,297
Basic (losses)/earnings per share (in RMB)	**(0.72)**	0.43
Diluted (losses)/earnings per share (in RMB)	**(0.72)**	0.42

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the effect of all dilutive potential ordinary shares.

The computation of diluted losses per share for the six months ended June 30, 2026 has not considered shares options granted under the share incentive plan, the unvested restricted-shares, as its inclusion would be anti-dilutive.

8. Dividends

During the six months ended June 30, 2026 and 2025, no dividends were declared by the entities comprising the Group to its owners.

9. Financial Assets at FVTPL

	Note	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Non-current assets			
Venture capital and private equity funds	*(i)*	**422,123**	51,130
Fund investments	*(ii)*	**245,040**	248,850
Unlisted equity investments	*(iii)*	**184,093**	183,003
Beneficial interests in non-performing loans	*(iv)*	**184,335**	153,351
Wealth management products	*(v)*	**–**	102,410
		1,035,591	738,744
Current assets			
Wealth management products	*(v)*	**367,735**	243,137
Beneficial interests in non-performing loans	*(iv)*	**96,088**	68,545
Fund investments	*(ii)*	**178,643**	279,240
		642,466	590,922
		1,678,057	1,329,666

Notes:

(i) The Group's investments in venture capital and private equity funds included in financial assets measured at FVTPL represent capital contributions subscribed to various venture capital and private equity fund vehicles established for investment purposes.

(ii) Fund investments were administered by licensed financial institutions in Hong Kong.

(iii) The Group's investments in unlisted equity securities included in financial assets measured at FVTPL represent the investments in certain privately owned companies.

(iv) The Group, acting as the transferee, made capital contributions to acquire the beneficial interests in non-performing loans from asset management companies (AMCs).

(v) Wealth management products were mainly issued by commercial banks in the PRC.

10. Trade receivables

	As at June 30, 2026 RMB'000	As at 31 December, 2025 RMB'000
Trade receivables	**449,068**	498,732
Less: allowance for impairment of trade receivables	**(16,088)**	(11,467)
Trade receivables, net	**432,980**	487,265

Aging analysis based on recognition date of the gross trade receivables at the respective balance sheet dates were as follows:

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
Within 3 months (inclusive)	**270,870**	311,430
3 months to 6 months (inclusive)	**119,406**	130,338
6 months to 1 year (inclusive)	**45,072**	49,511
Over 1 year	**13,720**	7,453
Less: loss allowance	**(16,088)**	(11,467)
Trade receivables, net	**432,980**	487,265

11. Trade payables

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
Third parties	**88,272**	151,568

The aging analysis of the trade payables based on recognition date is as follows:

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
Within 6 months	**81,950**	149,012
6 months to 1 year	**5,605**	1,173
1 to 2 years	**717**	1,383
	88,272	151,568

12. Events occurring after the reporting period

On August 26, 2026, with the completion of the placing of 37,393,500 non-listed warrants under a specific mandate. The placing was conducted at a price of HK$0.29 per warrant, resulting in net proceeds of approximately HK$10,119,115, which the company intends to use for enhancing research and development efforts and for working capital and general corporate purposes. The warrants grant holders the right to subscribe for up to 37,393,500 Class B shares at an exercise price of HK$8.0 per share over a two-year period. The completion of the placing fulfilled all conditions precedent, and the Company confirmed that the placees are independent third parties, with none becoming a substantial shareholder upon full exercise of the warrants.

On July 2, 2026, the Company granted an aggregate of 3,132,500 share awards to employees of the Group under its 2024 Share Scheme. The awards represent approximately 0.83% of the Company's issued Class B shares (excluding treasury shares) as of the grant date. Each share award entitles the holder to subscribe for one Class B ordinary share, and no consideration is payable by the grantees upon grant.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.brgroup.com). The printed copy of interim report for the six months ended June 30, 2026 will be dispatched to the Company's shareholders on request and made available for review on the same websites in due course.

CHANGE IN COMPOSITION OF BOARD COMMITTEE

The Board further announces that the chairperson of the remuneration committee of the Company has been changed from Professor Chen Zhiwu to Dr. Li Yao, with effect from August 31, 2026. Following the above change, Professor Chen Zhiwu will remain as the chairperson of the corporate governance committee of the Company and a member of each of the Audit Committee and nomination committee of the Company.

By order of the Board
Bairong AI Inc.
Zhang Shaofeng
Chairman and Executive Director

Hong Kong, August 31, 2026

As at the date of this announcement, the Board comprises Mr. Zhang Shaofeng, Ms. Wang Qing and Mr. Chan Chun Kit as executive Directors, Professor Liao Jianwen and Mr. Hong Hao as non-executive Directors, and Professor Chen Zhiwu, Dr. Li Yao and Mr. Zhang James Jian as independent non-executive Directors.