



百融智能

Bairong AI Inc.

(A company controlled through weighted voting rights and
incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立以不同投票權控制的有限責任公司)

Stock Code 股份代號 : 6608



2026

INTERIM REPORT
中期報告

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Company Information

Executive Directors

Mr. Zhang Shaofeng (*Chairperson and CEO*)
Ms. Wang Qing
Mr. Chan Chun Kit
(*appointed with effect from January 27, 2026*)
Ms. Qin Xuan
(*resigned with effect from January 27, 2026*)

Non-executive Directors

Professor Liao Jianwen
Mr. Hong Hao
(*appointed with effect from June 30, 2026*)

Independent non-executive Directors

Professor Chen Zhiwu
Dr. Li Yao
Mr. Zhang James Jian
(*appointed with effect from June 30, 2026*)
Mr. Zhou Hao
(*retired with effect from June 30, 2026*)

Audit committee

Mr. Zhang James Jian (*Chairperson*)
(*appointed with effect from June 30, 2026*)
Professor Chen Zhiwu
Dr. Li Yao
Mr. Zhou Hao
(*retired with effect from June 30, 2026*)

Remuneration committee

Dr. Li Yao (*Chairperson*)
(*appointed with effect from August 31, 2026*)
Professor Liao Jianwen
Mr. Zhang James Jian
(*appointed with effect from June 30, 2026*)
Professor Chen Zhiwu
(*ceased with effect from August 31, 2026*)
Mr. Zhou Hao
(*retired with effect from June 30, 2026*)

Nomination committee

Dr. Li Yao (*Chairperson*)
Mr. Zhang Shaofeng
Ms. Wang Qing
(*appointed with effect from January 27, 2026*)
Professor Chen Zhiwu
Mr. Zhang James Jian
(*appointed with effect from June 30, 2026*)
Ms. Qin Xuan
(*resigned with effect from January 27, 2026*)
Mr. Zhou Hao
(*retired with effect from June 30, 2026*)

Corporate governance committee

Professor Chen Zhiwu (*Chairperson*)
Dr. Li Yao
Mr. Zhang James Jian
(*appointed with effect from June 30, 2026*)
Mr. Zhou Hao
(*retired with effect from June 30, 2026*)

Joint company secretaries

Mr. Chen Chunyang
Ms. Leung Shui Bing

Authorised representatives

Mr. Zhang Shaofeng
Ms. Leung Shui Bing

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Company Information (Continued)

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Auditor

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Certified Public Accountants
Registered Public Interest Entity Auditor
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Legal advisers

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The Landmark 15 Queen's Road Central Hong Kong

As to Cayman Islands law

Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza, 18 Harbour Road
Wanchai, Hong Kong

Compliance adviser

Guotai Junan Capital Limited
27/F., Low Block, Grand Millennium Plaza
181 Queen's Road Central, Hong Kong

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong

Principal share registrar and transfer office

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall, Cricket Square
Grand Cayman KY1-1102, Cayman Islands

Principal bank

China Merchants Bank
(Beijing Yuquan Road sub-branch)

Stock code

6608

Company website

www.brgroup.com

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 business¹ 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).

Key Highlights (Continued)

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 (Unaudited)	2025 (Unaudited)	Change (%)
(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
<i>Non-IFRS measures⁵</i>			
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

Key Highlights (Continued)

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.

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.

Business Review and Outlook (Continued)

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.

Business Review and Outlook (Continued)

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.

Business Review and Outlook (Continued)

During the Reporting Period, revenue generated from this business reached RMB371.92 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 (Unaudited)	2025 (Unaudited)	Change (%)
(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.

Business Review and Outlook (Continued)

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.

Business Review and Outlook (Continued)

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.

Management Discussion and Analysis

	Six months ended June 30,	
	2026 (Unaudited)	2025 (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

Management Discussion and Analysis (Continued)

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.

Management Discussion and Analysis (Continued)

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.

Management Discussion and Analysis (Continued)

(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:

Management Discussion and Analysis (Continued)

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

	Six months ended June 30,	
	2026 (unaudited)	2025 (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 (unaudited)	2025 (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%

Management Discussion and Analysis (Continued)

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 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 report, the Group did not have detailed future plans for material investments or capital assets as at June 30, 2026.

Management Discussion and Analysis (Continued)

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.

Weighted voting rights

The Company is controlled through weighted voting rights. Under this structure, the Shares comprise Class A Shares and Class B Shares. Each Class A Share entitles the holder to exercise 10 votes, and each Class B Share entitles the holder to exercise one vote, on any resolution tabled at the Company's general meetings, except for resolutions with respect to the Reserved Matters, in relation to which each Share is entitled to one vote.

The WVR structure enables the WVR Beneficiary to exercise voting control over the Company notwithstanding that the WVR Beneficiary does not hold a majority economic interest in the share capital of the Company. This will enable the Company to benefit from the continued vision and leadership of the WVR Beneficiary who will control the Company with a view to its long-term prospects and strategy.

Investors are advised to be aware of the potential risks of investing in companies with a WVR structure, in particular that the interests of the WVR Beneficiary may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiary will be in a position to exert significant influence over the affairs of our Company and the outcome of Shareholders' resolutions, irrespective of how other Shareholders vote. Investors should make the decision to invest in the Company only after due and careful consideration.

As at June 30, 2026, Mr. Zhang, the WVR Beneficiary, is interested in 72,708,830 Class A Shares, representing approximately 65.84% of the voting rights in the Company, and entitled to control 13,138,385 Class B Shares representing approximately 1.19% of the voting rights in the Company with respect to shareholder resolutions relating to matters other than the Reserved Matters. The Class A Shares are held by Genisage Tech Inc., which is wholly owned by Genisage Holdings Limited. The entire interest in Genisage Holdings Limited is held through a trust which was established by Mr. Zhang (as settlor) for the benefit of himself and his family.

Class A Shares may be converted into Class B Shares on a one to one ratio. As at June 30, 2026, should all the issued and outstanding Class A Shares be converted into Class B Shares, the Company will issue 72,708,830 Class B Shares, representing approximately 19.28% of the total number of issued and outstanding Class B Shares (excluding treasury shares) or 16.16% of the issued Shares (excluding treasury shares).

The weighted voting rights attached to Class A Shares will cease when the WVR Beneficiary has no beneficial ownership of any of the Class A Shares, in accordance with 8A.22 of the Listing Rules. This may occur:

- (i) upon the occurrence of any of the circumstances set out in Rule 8A.17 of the Listing Rules, in particular where the WVR Beneficiary is: (1) deceased; (2) no longer a member of our Board; (3) deemed by the Stock Exchange to be incapacitated for the purpose of performing his duties as a director; or (4) deemed by the Stock Exchange to no longer meet the requirements of a director set out in the Listing Rules;
- (ii) when Class A Shareholders have transferred to another person the beneficial ownership of, or economic interest in, all of the Class A Shares or the voting rights attached to them, other than in the circumstances permitted by Rule 8A.18 of the Listing Rules;

Corporate Governance (Continued)

- (iii) where a vehicle holding Class A Shares on behalf of a WVR Beneficiary no longer complies with Rule 8A.18(2) of the Listing Rules; or
- (iv) when all of the Class A Shares have been converted to Class B Shares.

Corporate Governance Practices

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

Save as disclosed below, the Company had adopted and complied with the applicable code provisions set out in the CG Code during the Reporting Period.

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 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.

The 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 with our 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.

Pursuant to code provision D.1.2 of the CG Code, management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and other detail to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

During the Reporting Period, management provided such updates primarily through board meetings. The Board is of the view that board meetings, together with the arrangement for directors to have direct access to management, kept the directors fully informed of the Company's affairs and enabled them to discharge their duties accordingly.

Following the Reporting Period, management has taken steps to further enhance its monthly reporting arrangements and has circulated to all Directors management materials in respect of January to August 2026. Going forward, to comply with code provision D.1.2 of the CG Code, management of the Company will provide all Directors with monthly management accounts and management updates as soon as possible after the end of each calendar month, if practicable.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the latest version of the CG Code, and maintain a high standard of corporate governance benchmark of the Company.

Compliance with the Model Code for Securities Transactions by Directors

The Class B Shares were listed on the Stock Exchange on March 31, 2021, since which time the 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 report.

Board Committees

The Board has established four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee, for overseeing particular aspects of the Company’s affairs. Each of these committees is provided with sufficient resources to perform its duties. Each of these committees is established with defined written terms of reference. The terms of reference of the Board committees are available on the websites of the Company and the Stock Exchange.

Audit Committee

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and the risk management and internal control systems of the Group, review and approve connected transactions and provide advice and comments to the Board.

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

Corporate Governance (Continued)

The Audit Committee has reviewed the interim report and the unaudited interim results of the Group for the six months ended June 30, 2026 and has met with the independent auditor of the Company, Deloitte Touche Tohmatsu. 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.

Other Board Committees

In addition to the Audit Committee, the Company has also established a Nomination Committee, a Remuneration Committee and a Corporate Governance Committee.

Corporate Governance Committee

The Company has established the Corporate Governance Committee in compliance with Rule 8A.30 of the Listing Rules and the CG Code.

The primary duties of the Corporate Governance Committee are to ensure that the Company is operated and managed for the benefit of all Shareholders and to ensure the Company's compliance with the Listing Rules and safeguards relating to the WVR structure of the Company.

The Corporate Governance Committee comprises three independent non-executive Directors, namely Professor Chen Zhiwu, Mr. Zhang James Jian and Dr. Li Yao. Professor Chen Zhiwu is the chairperson of the Corporate Governance Committee.

The following is a summary of work performed by the Corporate Governance Committee during the six months ended June 30, 2026:

- Reviewed the policies and practices of the Company on corporate governance and on compliance with legal and regulatory requirements. The policies reviewed include the Code for Securities Transactions by Directors and Relevant Employees, board diversity policy, shareholders' communication policy, procedures for nomination of director by shareholders, disclosure of information policy, connected transactions policy, whistleblowing policy, dividend policy and other corporate governance policies.
- Reviewed the Company's compliance with the CG Code and disclosure in the corporate governance report, and the deviation(s) from code provision C.2.1 of the CG Code and the Company's disclosure for compliance with Chapter 8A of the Listing Rules.
- Reviewed the remuneration and the terms of engagement of the Company's compliance adviser.
- Reviewed and monitored the management of conflicts of interests between the Group/the Shareholders on one hand and the WVR Beneficiary on the other.

Corporate Governance (Continued)

- Reviewed and monitored all risks related to the weighted voting rights structure, including connected transactions between the Group/the Shareholders on one hand and the WVR Beneficiary on the other.
- Reviewed the arrangements for the training and continuous professional development of Directors and senior management (in particular, Chapter 8A of the Listing Rules and knowledge in relation to risks relating to the weighted voting rights structure).
- Reviewed and confirmed that the WVR Beneficiary has been a member of the Board throughout the six months ended June 30, 2026 and no matters under Rule 8A.17 of the Listing Rules have occurred during the Reporting Period, and he has complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules throughout the Reporting Period.
- Sought to ensure effective and ongoing communication between the Company and its Shareholders, particularly with regard to the requirements of Rule 8A.35 of the Listing Rules.
- Reported on the work of the Corporate Governance Committee covering all areas of its terms of reference.

The Corporate Governance Committee has confirmed to the Board it is of the view that the Company has adopted sufficient corporate governance measures to manage potential conflicts of interest between the Group and the WVR Beneficiary in order to ensure that the operations and management of the Company are in the interests of the Shareholders as a whole indiscriminately. These measures include the Corporate Governance Committee (a) reviewing and monitoring each transaction contemplated to be entered into by the Group and making a recommendation to the Board on any matter should there be/where there is a potential conflict of interest between the Group and/or the Shareholders and the WVR Beneficiary, and (b) ensuring that (i) any connected transactions are disclosed and dealt with in accordance with the requirements of the Listing Rules, (ii) their terms are fair and reasonable and in the interest of the Company and its Shareholders as a whole, (iii) any directors who have a conflict of interest should abstain from voting on the relevant board resolution, and (iv) the compliance adviser of the Company is consulted on any matters relating to transactions involving the WVR Beneficiary or a potential conflict of interest between the Group and/or the Shareholders and the WVR Beneficiary. The Corporate Governance Committee recommended the Board to continue the implementation of these measures and to periodically review their efficacy towards these objectives.

The Corporate Governance Committee has confirmed that (i) the WVR beneficiaries have been members of the Board throughout the Reporting Period; (ii) no matter under Rule 8A.17 has occurred during the Reporting Period; and (iii) the WVR Beneficiaries have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules during the Reporting Period.

The Corporate Governance Committee has reviewed the remuneration and terms of engagement of the Compliance Adviser, and confirmed to the Board that it is not aware of any factors that would require it to consider either the removal of the current Compliance Adviser or the appointment of a new compliance adviser. As a result, the Corporate Governance Committee recommended that the Board retain the services of the Compliance Adviser.

Other Information

Directors' and chief executives' interests and short positions in shares and underlying shares and debentures of the Company or any of its associated corporations

As at June 30, 2026, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange are set out below:

Name	Nature of interest	Number of Shares	Approximate % of interest in each class of share ⁽¹⁾
Mr. Zhang ⁽²⁾	Founder of a trust	72,708,830 Class A Shares (L)	100.00%
	Founder of a trust	11,590,785 Class B Shares (L)	2.93%
	Beneficial owner	27,161,000 Class B Shares (L)	6.87%
Ms. Wang Qing ⁽³⁾	Beneficial owner	567,000 Class B Shares (L)	0.14%

Notes:

- (1) The calculation is based on the total number of 72,708,830 Class A Shares and 395,343,840 Class B Shares (including treasury shares) in issue as at June 30, 2026. The letter "L" stands for long position.
- (2) This includes 72,708,830 Class A Shares held by Genisage Tech Inc., 11,590,785 Class B Shares held by Genisage Tech Inc., 1,547,600 Class B Shares and 25,613,400 underlying shares. Genisage Tech Inc. is wholly owned by Genisage Holdings Limited. The entire interest in Genisage Holdings Limited is held through a trust which was established by Mr. Zhang (as settlor) for the benefit of himself and his family. Such underlying shares represent (i) 20,948,400 options which are the relevant Class B Shares that may be allotted and issued to him upon full exercise of all the options granted to him under the 2021 ESOP, and (ii) 4,665,000 award shares which are the relevant Class B Shares to be purchased from the open market upon vesting of the award shares granted to Mr. Zhang under the RSU Scheme.
- (3) Ms. Wang Qing was interested in 3,500 Class B Shares, 313,500 Class B Shares underlying the award shares granted pursuant to the RSU Scheme, 200,000 Class B Shares underlying options and 50,000 Class B Shares underlying the award shares granted pursuant to the 2024 Share Scheme, respectively.

Other Information (Continued)

Substantial shareholders' interests and short positions in shares and underlying shares

As at June 30, 2026, the following persons (other than the Directors and chief executives whose interests have been disclosed in this report) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company, pursuant to section 336 of the SFO:

Name	Capacity/Nature of interest	Number of Shares	Approximate % of interest in each class of share ⁽¹⁾
Class A Shares			
Genisage Tech Inc. ⁽²⁾	Beneficial owner	72,708,830 (L)	100.00%
Genisage Holdings Limited ⁽²⁾	Interest in controlled corporations	72,708,830 (L)	100.00%
TMF (Cayman) Ltd. ⁽²⁾	Trustee	72,708,830 (L)	100.00%
Mr. Zhang ⁽²⁾	Founder of a trust	72,708,830 (L)	100.00%
Class B Shares			
HH BR-I Holdings Limited ⁽³⁾	Beneficial owner	37,631,065 (L)	9.52%
Tianjin GLTC Enterprise Management Consultation, L.P. ⁽³⁾	Interest in controlled corporations	37,631,065 (L)	9.52%
Zhuhai Gaoling Tiancheng Investment Management Co., Ltd. ⁽³⁾	Interest in controlled corporations	37,631,065 (L)	9.52%
Xinjiang Guoxin Equity Investment Management Co., Ltd. ⁽⁴⁾	Interest in controlled corporations	30,573,080 (L)	7.73%
China Reform Fund Management (Group) Co., Ltd. ⁽⁴⁾	Interest in controlled corporations	30,573,080 (L)	7.73%
China Reform Fund Management Co., Ltd. ⁽⁴⁾	Interest in controlled corporations	30,573,080 (L)	7.73%
China Reform Holdings Corporation Ltd. ⁽⁴⁾	Interest in controlled corporations	30,573,080 (L)	7.73%
Hong Jing ⁽⁵⁾	Interest in controlled corporations	35,559,711 (L)	8.99%
Tsing Young Holding Limited ⁽⁶⁾	Interest in controlled corporations	20,109,000 (L)	5.09%

Other Information (Continued)

Notes:

- (1) The calculation is based on the total number of 72,708,830 Class A Shares and 395,343,840 Class B Shares in issue (including treasury shares) as at June 30, 2026. The letter “L” stands for long position.
- (2) Genisage Tech Inc. is wholly-owned by Genisage Holdings Limited. The entire interest in Genisage Holdings Limited is indirect held through TMF (Cayman) Ltd., which is the trustee of a trust which was established by Mr. Zhang (as settlor) for the benefit of himself and his family. Therefore Mr. Zhang is deemed to hold interests in Genisage Tech Inc..
- (3) HH BR-I Holdings Limited is wholly-owned by Tianjin GLTC Enterprise Management Consultation, L.P. The general partner of Tianjin GLTC Enterprise Management Consultation, L.P. is Zhuhai Gaoling Tiancheng Investment Management Co., Ltd..
- (4) CRF Summit Investment Limited is wholly-owned by Tianjin Shenghuatianxi Enterprise Management Partnership L.P. and Waterdrop Investment Limited is indirectly wholly-owned by Tianjin Zhonghetianxi Enterprise Management Partnership L.P., with Xinjiang Guoxin Equity Investment Management Co., Ltd. being their sole management company. Xinjiang Guoxin Equity Investment Management Co., Ltd. is wholly-owned by China Reform Fund Management Co., Ltd., with China Reform Fund Management (Group) Co., Ltd. being its largest single shareholder. China Reform Fund Management (Group) Co., Ltd. is wholly-owned by China Reform Holdings Co., Ltd..
- (5) Hong Jing through series of companies indirectly deemed to be interested in 35,559,711 Class B Shares.
- (6) Tsing Young Holding Limited through series of companies indirectly deemed to be interested in 20,109,000 Class B Shares. Tsing Young Holding Limited is indirectly wholly-owned by Hong Jing.

Share Schemes

As of the date of this report, the Company has two effective share schemes that are subject to Chapter 17 of the Listing Rules, namely the 2024 Share Scheme and the RSU Scheme, and three expired share schemes with options or awards outstanding, namely the 2019 ESOP, the 2021 ESOP and the 2021 Share Award Scheme.

The 2019 ESOP does not involve the grant of any options after Listing and is not subject to Chapter 17 of the Listing Rules. The 2021 Schemes were terminated immediately upon the 2024 Share Scheme and the RSU Scheme taking effect on June 21, 2024 at the conclusion of the Company’s 2024 annual general meeting, and the Company shall not grant any further options and awards under the 2021 Schemes thereafter (the **“Termination of 2021 Schemes”**). For further details of the Termination of 2021 Schemes and the adoption of the 2024 Share Scheme and the RSU Scheme, please refer to the announcements of the Company dated April 10, 2024 and June 21, 2024 and the circular of the Company dated May 17, 2024.

During the Reporting Period, 9,822,000 share options and 11,926,500 share awards were granted under the 2024 Share Scheme. The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue (excluding treasury shares) for the Reporting Period is 5.77%. The RSU Scheme is a share scheme that is funded by existing Shares under Rule 17.01(1)(b) of the Listing Rules.

Other Information (Continued)

Further, details and relevant breakdowns of each of the Share Schemes of the Company are set out below:

1. 2019 ESOP

The 2019 ESOP does not involve the grant of any share options after Listing. Further details of the 2019 ESOP are set out in the Prospectus and the 2025 Annual Report.

Details of the outstanding options granted under the 2019 ESOP are as follows:

									Weighted average closing price of Class B Shares immediately before the date of exercise during the Reporting Period (HKD)
Name	Date of Grant	Vesting Period ⁽¹⁾	Exercise Price (per Class B Share)	Outstanding as at January 1, 2026	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at June 30, 2026	
Other grantees in category									
24 Employee Participants in aggregate	January 1, 2016 – March 9, 2021	4 years	RMB0.2	1,850,243	1,462,780	–	–	387,463	12.14
9 Service Providers in aggregate	January 1, 2016 – March 9, 2021	4 years	RMB0.2	1,596,425	632,149	31	–	964,245	11.38
Total				3,446,668	2,094,929	31	–	1,351,708	

Note:

- The Committee shall determine the time or times for exercise, including exercise prior to vesting; provided that the term shall not exceed ten years, subject to the terms of the 2019 ESOP and the award agreement signed by the grantee.

2. 2021 ESOP

The 2021 ESOP was adopted on March 16, 2021 and subsequently terminated on June 21, 2024 pursuant to the Termination of 2021 Schemes. Further details of the 2021 ESOP are set out in the Prospectus and the 2025 Annual Report.

Maximum number of Class B Shares available for grant. The overall limit on the number of Class B Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2021 ESOP and any other share option schemes of our Company at any time (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Shares in issue from time to time.

Other Information (Continued)

No further awards would be granted under the 2021 ESOP after June 21, 2024 pursuant to the Termination of 2021 Schemes.

Details of movements of options granted under the 2021 ESOP during the Reporting Period are as follows:

Name or category of grantees	Date of grant	Vesting period ⁽¹⁾	Class B Share)	Number of Class B Shares					Number of Class B Shares	Closing price of Class B Shares	Fair value of options at the date of grant ⁽²⁾	Weighted average closing price of the Class B Shares immediately before the date of exercise during the Reporting Period
				underlying options	Number of options granted during the Reporting Period	Number of options exercised during the Reporting Period	Number of options lapsed during the Reporting Period	Number of options cancelled during the Reporting Period				
			Exercise price (per outstanding as at January 1, 2026)						underlying option as at June 30, 2026	immediately before the date on which the options were granted	the date of grant ⁽²⁾	
			(HKD)							(HKD)	(HKD)	(HKD)
Director, chief executive or substantial shareholder												
Mr. Zhang Shaofeng	December 29, 2021	4 years	9.602	1,746,000	-	-	-	-	1,746,000	9.70	3.53	N/A
	March 26, 2024	3 years	13.8	19,202,400	-	-	-	-	19,202,400	14.28	4.04	N/A
Other grantees in category												
60 Employee	December 29, 2021	4 years	9.602	5,980,000	-	1,495,330	422,500	-	4,062,170	9.70	3.26; 3.53	12.04
Participants in aggregate												
109 Employee	February 7, 2024	4 years	11.432	9,255,500	-	9,000	292,000	-	8,954,500	11.76	4.24; 4.51	12.48
Participants in aggregate												
1 Service Provider	December 29, 2021	4 years	9.602	678,000	-	-	-	-	678,000	9.70	3.53	N/A
1 Service Provider	March 26, 2024	3 years	13.8	600,000	-	-	-	-	600,000	14.28	4.04	N/A
Total				37,461,900	-	1,504,330	714,500	-	35,243,070			

Other Information (Continued)

Notes:

1. The period within which an option may be exercised is to be determined and notified by the Board to each grantee at the time of making an offer, and shall not expire later than ten years from the date of grant.
2. The fair value of options are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The methodology and assumptions used was the fair value is measured at grant date using the binomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

The options granted shall be valid for a period of ten years from the date of grant. The options granted shall be vested in accordance with the timetable below:

Date of grant	Vesting date	Percentage of options to vest
December 29, 2021	December 29, 2023	50% of the total number of options granted
	December 29, 2024	25% of the total number of options granted
	December 29, 2025	25% of the total number of options granted
February 7, 2024	February 7, 2026	50% of the total number of options granted
	February 7, 2027	25% of the total number of options granted
	February 7, 2028	25% of the total number of options granted
March 26, 2024	March 26, 2025	50% of the total number of options granted
	March 26, 2026	25% of the total number of options granted
	March 26, 2027	25% of the total number of options granted

Further details of the 2021 ESOP are also set out in Note 20 to the condensed consolidated financial statements.

Other Information (Continued)

3. 2021 Share Award Scheme

The 2021 Share Award Scheme was adopted on May 28, 2021 and subsequently terminated on June 21, 2024 pursuant to the Termination of 2021 Schemes. Further details of the 2021 Share Award Scheme are set out in the announcement of the Company dated May 31, 2021 and the 2025 Annual Report.

Maximum number of award shares (which can be satisfied by new Shares or existing Shares) available for grant. The maximum aggregate number of Class B Shares underlying all grants made pursuant to the 2021 Share Award Scheme shall be 24,764,500 Class B Shares subject to an annual limit of 3% of the total number of issued Shares at the relevant time.

No further awards would be granted under the 2021 Share Award Scheme after June 21, 2024 pursuant to the Termination of 2021 Schemes.

Outstanding awards granted. As of June 30, 2026, the a total of 3,029,750 awards remained outstanding under the 2021 Share Award Scheme, all of which were granted prior to the Termination of 2021 Schemes.

Details of movements of award shares granted under the 2021 Share Award Scheme during the Reporting Period are as follows:

Name	Date of grant	Vesting period ⁽¹⁾	Purchase price	Unvested award shares as of January 1, 2026	Granted during the Reporting Period	Vested during the Reporting Period ⁽³⁾	Cancelled/ forfeited during the Reporting Period	Lapsed during the Reporting Period	Unvested award shares as of June 30, 2026	Closing price of Class B Shares immediately before the date of grant	Fair value of award shares at the date of grant	Weighted average closing price of the Class B Shares immediately before the date of vesting during the Reporting Period
										(HKD)	(per award share) ⁽²⁾ (HKD)	(HKD)
Director, chief executive or substantial shareholder												
Ms. Qin Xuan ⁽⁴⁾	July 1, 2022	4 years	Nil	54,125	–	–	–	–	54,125	9.82	9.82	N/A
Other grantees in category												
Top 5 paid individuals in aggregate	July 1, 2022	4 years	Nil	121,000	–	–	–	–	121,000	9.82	9.82	N/A
	February 7, 2024	4 years	Nil	452,000	–	226,000	–	–	226,000	11.76	11.16	10.90
1 Employee Participant	July 1, 2022	4 years	Nil	37,375	–	37,375	–	–	–	9.82	9.82	7.97
1 Employee Participant	October 8, 2022	4 years	Nil	124,875	–	–	–	–	124,875	8.58	8.58	N/A

Other Information (Continued)

											Weighted average closing price of the Class B Shares immediately before the date of vesting during the Reporting Period (HKD)	
Name	Date of grant	Vesting period ⁽¹⁾	Purchase price	Unvested award shares as of January 1, 2026	Granted during the Reporting Period	Vested during the Reporting Period ⁽³⁾	Cancelled/ forfeited during the Reporting Period	Lapsed during the Reporting Period	Unvested award shares as of June 30, 2026	Closing price of Class B Shares immediately before the date of grant (HKD)	Fair value of award shares at the date (per award share) ⁽²⁾ (HKD)	Class B Shares immediately before the date of vesting during the Reporting Period (HKD)
2 Employee Participants in aggregate	January 4, 2023	4 years	Nil	101,750	–	50,875	–	–	50,875	10.36	10.94	12.75
2 Employee Participants in aggregate	April 1, 2023	4 years	Nil	55,750	–	27,875	–	–	27,875	12.42	12.42	7.97
2 Employee Participants in aggregate	July 1, 2023	4 years	Nil	104,250	–	–	–	22,750	81,500	9.28	9.28	N/A
1 Employee Participant	October 8, 2023	4 years	Nil	10,750	–	–	–	–	10,750	10.10	10.10	N/A
8 Employee Participants in aggregate	January 4, 2024	4 years	Nil	308,500	–	154,250	–	–	154,250	13.72	13.24	12.75

Other Information (Continued)

Name	Date of grant	Vesting period ⁽¹⁾	Purchase price	Unvested award shares as of January 1, 2026	Granted during the Reporting Period	Vested during the Reporting Period ⁽³⁾	Cancelled/ forfeited during the Reporting Period	Lapsed during the Reporting Period	Unvested award shares as of June 30, 2026	Closing price of Class B Shares immediately before the date of grant	Fair value of award shares at the date of grant	Weighted average closing price of the Class B Shares immediately before the date of vesting during the Reporting Period
										(HKD)	(HKD)	(HKD)
121 Employee Participants in aggregate	February 7, 2024	4 years	Nil	3,997,500	-	1,998,750	-	175,750	1,823,000	11.76	11.16	10.90
6 Employee Participants in aggregate	April 1, 2024	4 years	Nil	552,500	-	276,250	-	-	276,250	11.08	11.08	7.97
2 Service Providers in aggregate	July 1, 2022	4 years	Nil	14,250	-	-	-	-	14,250	9.82	9.82	N/A
1 Service Provider	February 7, 2024	4 years	Nil	130,000	-	65,000	-	-	65,000	14.28	11.84	10.90
Total				6,064,625	-	2,836,375	-	198,500	3,029,750			

Notes:

- Exercise period is not applicable for award shares. The award shares shall be valid for a period of ten years from the date of grant.
- The fair value of award shares are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The methodology and assumptions used was the fair value of each RSU at the grant date were determined by reference to the fair value of the ordinary shares of the Group that issued to its shareholders.
- As disclosed in the announcement published by the Company on December 29, 2021, except for the 9,889,000 award shares granted to unconnected grantees on December 29, 2021, the remaining award shares will be satisfied by existing shares acquired by trustee(s) of the Company. Subsequently, the Scheme Administrator decided that all the award shares granted under the 2021 Share Award Scheme shall be satisfied by existing shares acquired by trustee(s) of the Company. As such, all the award shares vested during the Reporting Period were satisfied by existing shares.
- Ms. Qin Xuan resigned as an executive Director with effect from January 27, 2026

Further details of the 2021 Share Award Scheme are set out in Note 20 to the condensed consolidated financial statements.

4. 2024 Share Scheme

The 2024 Share Scheme was adopted on June 21, 2024 at the conclusion of the Company's 2024 annual general meeting. Further details of the 2024 Share Scheme are set out in the announcements of the Company dated April 10, 2024 and June 21, 2024, the circular of the Company dated May 17, 2024 and the 2025 Annual Report.

Maximum number of awards available for grant. The total number of Class B Shares which may be issued (including any transfer of Class B Shares out of treasury that are held as treasury shares) pursuant to all awards to be granted under the 2024 Share Scheme (or any other share schemes of the Company) shall not exceed 49,102,996 (the "**Scheme Mandate Limit**"), representing 10% of the total number of Shares of the Company (including Class A Shares and Class B Shares but excluding any treasury shares) in issue as at June 21, 2024, being the adoption date of the 2024 Share Scheme. The total number of new Shares that may be issued (including any transfer of Class B Shares out of treasury that are held as treasury shares) pursuant to all awards to be granted to service provider participants under the 2024 Share Scheme (or any other share schemes of the Company) is 4,910,299 Shares, representing 1% of the total number of the issued Shares as at June 21, 2024 (the "**Service Provider Sublimit**").

As of January 1, 2026, 47,934,496 and 4,910,299 awards were available for grant under the Scheme Mandate Limit and the Service Provider Sublimit, respectively. During the Reporting Period, 21,748,500 awards were granted to eligible participants, of which 179,500 awards were granted to service provider participants, pursuant to the 2024 Share Scheme. It follows that, as of June 30, 2026, 27,205,496 and 4,730,799 awards were available for grant under the Scheme Mandate Limit and the Service Provider Sublimit, respectively.

Other Information (Continued)

Details of movements of options and awards granted under the 2024 Share Scheme during the Reporting Period are as follows:

										Closing	Weighted	
										price	average	
										Number immediately	closing price	
										of Class before the	of the Shares	
										date on	Fair value	immediately
										which the	of options/	before the date
										options/	awards	of exercise/
										awards	shares at	vesting during
										were	the date	the Reporting
										granted	of grant ⁽²⁾	Period
Name or category	Vesting	Price	January 1,	Reporting	Reporting	Reporting	Reporting	Reporting	as at June	granted	of grant ⁽²⁾	Period
of grantees	Date of Grant ⁽³⁾	Period ⁽¹⁾	(HKD)	2026	Period	Period	Period	Period	30, 2026	(HKD)	(HKD)	(HKD)
Director, chief executive or substantial shareholder												
Ms. Wang Qing	March 27, 2026	4 years	8.51	–	200,000	–	–	–	200,000	8.30	8.51	N/A
	March 27, 2026	4 years	Nil	–	50,000	–	–	–	50,000	8.30	8.51	N/A
Other grantees in category												
1 Employee Participant	October 8, 2024	4 years	11.276	1,168,500	–	–	–	–	1,168,500	11.680	3.87	N/A
208 Employee	January 27, 2026	4 years	Nil	–	9,140,500	–	762,000	–	8,378,500	10.83	11.06	N/A
Participants in aggregate												
21 Employee	March 27, 2026	4 years	8.51	–	9,622,000	–	150,000	–	9,472,000	8.30	8.51	N/A
Participants in aggregate												
15 Employee	March 27, 2026	4 years	Nil	–	1,753,500	–	80,000	–	1,673,500	8.30	8.51	N/A
Participants in aggregate												
7 Employee	April 21, 2026	3 years	Nil	–	803,000	–	27,500	–	775,500	7.13	8.16	N/A
Participants in aggregate												

Other Information (Continued)

										Closing	Weighted								
										price	average								
										Number immediately	closing price								
										of Class before the	of the Shares								
										B Shares	date on	Fair value	immediately						
										underlying	which the	of options/	before the date						
										Exercise	awards	awards	awards	awards	awards	options/	options/	awards	of exercise/
										Price/	outstanding	granted	vested	lapsed	cancelled	awards	awards	shares at	vesting during
										Purchase	as at	during the	during the	during the	during the	outstanding	were	the date	the Reporting
Name or category			Vesting	Price	January 1,	Reporting	Reporting	Reporting	Reporting	as at June	granted	of grant ⁽²⁾	Period						
of grantees	Date of Grant ⁽³⁾	Period ⁽¹⁾	(HKD)	2026	Period	Period	Period	Period	Period	30, 2026	(HKD)	(HKD)	(HKD)						
2 Service Providers in aggregate	January 27, 2026	4 years	Nil	–	111,000	–	–	–	–	111,000	10.83	11.06	N/A						
1 Service Provider	March 27, 2026	1 year	Nil	–	68,500	–	–	–	–	68,500	8.30	8.51	N/A						
Total				1,168,500	21,748,500	–	1,019,500	–	–	21,897,500									

Notes:

- The period within which an option may be exercised is to be determined and notified by the Board or the Scheme Administrator to each grantee at the time of making an offer, and shall not expire later than ten years from the date of grant.
- The fair value of options are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The methodology and assumptions used was the fair value is measured at grant date using the binomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.
- Save for the options granted on October 8, 2024, which are not subject to any performance target, the exercise of each options and the vesting of awards shall be conditional upon the relevant grantee having satisfied specified performance targets in the most recent performance review conducted prior to the relevant exercise date or vesting date (as applicable). Such performance targets shall include the grantee's individual appraisal results for the relevant exercise period or vesting period (as applicable). If the grantee fails to attain the required grades in the performance review, all underlying options of the corresponding exercise period and all unvested awards of the corresponding vesting period shall lapse automatically.

Further details of the 2024 Share Scheme are set out in Note 20 to the condensed consolidated financial statements.

Other Information (Continued)

5. RSU Scheme

The RSU Scheme was adopted on June 21, 2024 at the conclusion of the Company's 2024 annual general meeting. The RSU Scheme constitutes a share scheme of a listed issuer that is funded by existing shares of the issuer under Rule 17.01(1)(b) of the Listing Rules. Further details of the RSU Scheme are set out in the announcement of the Company dated April 10, 2024, the circular of the Company dated May 17, 2024 and the 2025 Annual Report.

Maximum number of RSUs (funded by existing Class B Shares) available for grant. The Company shall not make further grant of RSUs which will result in the aggregate number of Class B Shares granted underlying all grants made pursuant to the RSU Scheme (excluding any RSUs lapsed in accordance with the RSU Scheme Rules) to exceed 5% of the total number of issued Shares as at the relevant date of grant unless the Board has approved a further refreshment of the limit of the RSU Scheme.

As of January 1, 2026, 8,175,408 award shares were available for grant under the RSU Scheme. During the Reporting Period, 3,593,000 award shares were granted to eligible participants pursuant to the RSU Scheme and 878,000 award shares have lapsed in accordance with the rules of the RSU Scheme. As of June 30, 2026, 5,280,827 award shares were available for grant under the RSU Scheme.

Details of movements of RSUs granted under the RSU Scheme during the Reporting Period are as follows:

Name or category of grantees	Date of grant ⁽²⁾	Vesting period	Purchase price	Unvested award					Unvested award immediately before the date of grant	Closing price of Shares immediately before the date of grant	Fair value of award shares at the date of grant	Weighted average closing price of the Shares immediately before the date of vesting
				held as of January 1, 2026	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled/ forfeited during the Reporting Period	Lapsed during the Reporting Period				
				2026	Period	Period	Period	Period	June 30, 2026	(HKD)	(HKD)	Period (HKD)
Directors, chief executive or substantial shareholder												
Mr. Zhang Shaofeng	April 25, 2025	1 year	Nil	4,665,000	-	-	-	-	4,665,000	7.33	7.35	N/A
Ms. Wang Qing	July 1, 2025	4 years	Nil	313,500	-	-	-	-	313,500	9.35	9.35	N/A

Other Information (Continued)

												Weighted average closing price of the Shares immediately before the date of vesting during the Reporting Period (HKD)
				Unvested award shares held as of January 1, 2026	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled/ forfeited during the Reporting Period	Lapsed during the Reporting Period	Unvested award shares held as of June 30, 2026	Closing price of Shares immediately before the date of grant (HKD)	Fair value of award shares at the date (per award share) ⁽¹⁾ (HKD)	
Name or category of grantees	Date of grant ⁽²⁾	Vesting period	Purchase price	January 1, 2026	Reporting Period	Reporting Period	Reporting Period	Reporting Period	June 30, 2026	grant (HKD)	share) ⁽¹⁾ (HKD)	Period (HKD)
Other grantees in category												
Top 5 paid individuals in aggregate	October 8, 2024	4 years	Nil	1,869,500	–	–	–	–	1,869,500	11.68	10.26	N/A
	April 1, 2025	4 years	Nil	700,000	–	175,000	–	–	525,000	8.36	8.43	7.97
8 Employee Participants in aggregate	July 2, 2024	4 years	Nil	826,500	–	–	–	–	826,500	8.90	9.02	N/A
8 Employee Participants in aggregate	October 8, 2024	3-4 years	Nil	597,000	–	–	–	–	597,000	11.68	10.26	N/A
1 Employee Participant	January 4, 2025	4 years	Nil	37,000	–	–	–	37,000	–	8.48	8.48	N/A
6 Employee Participants in aggregate	April 1, 2025	4 years	Nil	964,000	–	75,000	–	35,000	854,000	8.36	8.43	7.97
7 Employee Participants in aggregate	July 1, 2025	4 years	Nil	1,048,500	–	–	–	527,500	521,000	9.35	9.35	N/A
22 Employee Participants in aggregate	October 8, 2025	4 years	Nil	2,015,000	–	–	–	240,500	1,774,500	10.90	10.53	N/A
11 Employee Participants in aggregate	January 4, 2026	4 years	Nil	–	3,593,000	–	–	38,000	3,555,000	12.75	12.75	N/A

Other Information (Continued)

												Weighted			
												average			
												closing price			
												Closing	Fair value	of the Shares	
												price of	of award	immediately	
												Unvested	Shares	shares at	before the
												award	immediately	the date	date of vesting
												shares	before the	of grant	during the
												held as of	date of	(per award	Reporting
												held as of	date of	share) ⁽¹⁾	Period
Name or category		Vesting	Purchase	January 1,	Reporting	Reporting	Reporting	Reporting	June 30,	grant	share) ⁽¹⁾	Period			
of grantees	Date of grant ⁽²⁾	period	price	2026	Period	Period	Period	Period	2026	(HKD)	(HKD)	(HKD)			
1 Service Provider	July 2, 2024	4 years	Nil	112,500	-	-	-	-	112,500	8.90	9.02	N/A			
1 Service Provider	February 7, 2025	1 year	Nil	82,500	-	82,500	-	-	-	10.92	10.58	10.90			
2 Service Providers in aggregate	July 1, 2025	3-4 years	Nil	749,500	-	-	-	-	749,500	9.35	9.35	N/A			
1 Service Provider	October 8, 2025	1 year	Nil	50,500	-	-	-	-	50,500	10.90	10.53	N/A			
Total				14,031,000	3,593,000	332,500	-	878,000	16,413,500						

Notes:

1. The fair value of RSUs are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The methodology and assumptions used for the fair value of each RSU at the grant date were determined by reference to the fair value of the ordinary shares of the Group issued to its shareholders.
2. Vesting of RSUs granted during the Reporting Period is subject to the fulfillment of specific quantitative and qualitative requirements for the relevant business units, as well as the achievement of individual performance targets set by the scheme administrator.

Further details of the RSU Scheme are set out in Note 20 to the condensed consolidated financial statements.

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 report, 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 report (i.e. August 31, 2026), 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.

Other Information (Continued)

Disclosure of changes in Directors' information pursuant to Listing Rule 13.51B

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors of the Company since the 2025 Annual Report are set out below:

- Mr. Chan Chun Kit has been re-designated from the chief strategy officer of the Company to the chief financial officer of the Company with effect from April 9, 2026;
- Mr. Zhou Hao has retired as an independent non-executive Director and ceased to be the chairperson of the Audit Committee, a member of each of the Nomination Committee, the Remuneration Committee and the Corporate Governance Committee with effect from June 30, 2026;
- Mr. Hong Hao has been appointed as a non-executive Director with effect from June 30, 2026;
- Mr. Zhang James Jian has been appointed as an independent non-executive Director, the chairperson of the Audit Committee, and a member of each of the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee with effect from June 30, 2026;
- Professor Chen Zhiwu has ceased to be the chairperson of the Remuneration Committee with effect from August 31, 2026; and
- Dr. Li Yao has been appointed as the chairperson of the Remuneration Committee with effect from August 31, 2026.

For details, please refer to the announcements dated April 9, 2026, June 30, 2026 and August 31, 2026.

Save as disclosed above, there were no change to the information of the Directors that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the 2025 Annual Report.

Interim dividend

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

Other Information (Continued)

Use of proceeds from the Global Offering

On March 31, 2021, the Shares were listed on the Main Board of the Stock Exchange. 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, during the Reporting Period, 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)		Unutilised net amount as at January 1, 2026 (RMB million)	Amount utilised during the Reporting Period (RMB million)	Unutilised net 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 purpose	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.

Other Information (Continued)

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.

Contractual Arrangements

Background to the Contractual Arrangements

We currently conduct our AI Decisioning Business, AICC for the Lending Use Case and Other Business (the “**Relevant Businesses**”) through our Consolidated Affiliated Entities in the PRC as PRC laws, or their implementation by relevant government authorities, generally prohibit or restrict foreign ownership in the Relevant Businesses. Currently, PRC laws restrict foreign ownership of value-added telecommunications service providers (in addition to imposing a qualification requirement on the foreign owners).

As a result of the restrictions imposed by PRC laws, we are unable to own or hold any direct equity interest in our Consolidated Affiliated Entities. Accordingly, the term ‘ownership’ or the relevant concept, as applied to our Company in this document, refers to an economic interest in the assets or businesses through the Contractual Arrangements without holding any equity interest in our Consolidated Affiliated Entities. The Contractual Arrangements, through which we are able to exercise control over and derive the economic benefits from our Consolidated Affiliated Entities, are narrowly tailored to achieve our business purpose and minimise the potential for conflict with relevant PRC laws.

All of the Contractual Arrangements are subject to the foreign ownership restrictions described herein and as set out in the Prospectus.

Qualification requirements

Article 10 of the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises further provides that a major foreign investor which invests in a value-added telecommunications business in the PRC must possess prior experience in, and a proven track record of good performance of, operating value-added telecommunications businesses overseas (the “**Qualification Requirements**”). Foreign investors that meet these requirements must obtain approvals from the MIIT which retain discretion in granting such approvals.

The MIIT issued a Guidance Memorandum on the Application Requirements for Establishing Foreign-invested Value-added Telecommunications Enterprises in the PRC (“**Guidance Memorandum**”). According to this Guidance Memorandum, a foreign investor applicant is required to provide, as proof of the satisfaction of the Qualification Requirements, a description of the value-added telecommunications services previously provided by itself or its direct shareholder, supported by, among other things, screenshots of licence and filings previously obtained and websites and apps previously operated, as well as previous telecommunication business licences issued by the relevant local authorities (unless where no licence is required in the relevant jurisdiction). The Guidance Memorandum, however, does not provide any further guidance on the proof, records or documents required to support the proof satisfying the Qualification Requirements.

Notwithstanding the above, we have adopted a specific plan and will continue to expend genuine efforts and financial resources towards meeting the Qualification Requirements. We will remain abreast of any regulatory developments and continuously assess whether we meet the Qualification Requirements, with a view to unwinding the Contractual Arrangements wholly or partially as and when practicable and permissible under the prevailing PRC laws.

We are implementing a business plan with a view to building up a track record of overseas telecommunication business operations. We believe that such business plan represents our commitment and a meaningful endeavour to demonstrate compliance with the Qualification Requirements. The Company is in the process of expanding its overseas value-added telecommunications business through its offshore subsidiaries. In particular, we have taken concrete steps to ensure compliance with the Qualification Requirements, as published in the 2025 Annual Report.

The officer from the MIIT also confirmed that the above steps are generally deemed helpful to prove that the Qualification Requirements have been fulfilled. Based on the above, and subject to the discretion of competent authority, our PRC Legal Adviser is of the view that the above steps are generally regarded as relevant and reasonable factors to prove that the Qualification Requirements have been fulfilled.

Further details of the Contractual Arrangements, the risks relating to the Contractual Arrangements, the relevant PRC laws and regulations and the material terms of the Contractual Arrangements are set out in the Prospectus and the 2025 Annual Report.

Other Information (Continued)

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 report.

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 interim report, there were no other significant events that might affect the Group after June 30, 2026 and up to the date of publication of this report.

Review Report to the Board of Directors

To the Board of Directors of Bairong AI Inc.

(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Bairong AI Inc. (formerly known as BAIRONG INC.) (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 48 to 81, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong, China

31 August 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	Six months ended 30 June	
		2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue	4	914,320	1,611,797
Cost of sales		(426,035)	(429,369)
Gross profit		488,285	1,182,428
Sales and marketing expenses		(361,526)	(606,276)
General and administrative expenses		(123,509)	(140,208)
Research and development expenses		(394,163)	(301,542)
Impairment loss		(29,257)	(17,255)
Other income, other gains and losses	5	112,550	83,747
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	6	(3,222)	(174)
(Loss)/profit for the period	7	(321,637)	201,224
Other comprehensive expense			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(2,005)	–
Share of other comprehensive income of investments accounted for using the equity method		(43)	(3)
Other comprehensive expense for the period, net of income tax		(2,048)	(3)
Total comprehensive (expense)/income for the period		(323,685)	201,221

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the six months ended 30 June 2026

	Note	Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(unaudited)	(unaudited)
(Loss)/profit attributable to:			
– Owners of the Company		(320,208)	190,264
– Non-controlling interests		(1,429)	10,960
		(321,637)	201,224
Total comprehensive (expense)/income attributable to:			
– Owners of the Company		(322,256)	190,261
– Non-controlling interests		(1,429)	10,960
		(323,685)	201,221
(Losses)/earnings per share (expressed in RMB per share)			
– Basic	9	(0.72)	0.43
– Diluted	9	(0.72)	0.42

The notes on pages 56 to 81 form an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Assets			
Non-current assets			
Property and equipment	10	123,230	122,258
Right-of-use assets	10	102,149	122,531
Goodwill		24,652	24,652
Intangible assets	10	29,205	29,687
Interests in associates	11	354,983	375,498
Prepayment of acquisition of investment	14	69,484	–
Deferred tax assets		18,235	18,409
Financial assets at fair value through profit or loss (“FVTPL”)	15	1,035,591	738,744
Time deposit	16	190,000	190,000
Restricted cash		7,206	7,206
		1,954,735	1,628,985
Current assets			
Trade receivables	12	432,980	487,265
Loans receivables	13	210,345	244,902
Prepaid expenses and other assets	14	104,819	78,714
Financial assets at FVTPL	15	642,466	590,922
Time deposits	16	750,570	1,585,647
Restricted cash		1,622	1,551
Cash and cash equivalents	16	692,686	725,958
		2,835,488	3,714,959
Total assets		4,790,223	5,343,944

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Liabilities			
Non-current liabilities			
Lease liabilities	10	62,925	79,121
Deferred tax liabilities		7,895	7,524
		70,820	86,645
Current liabilities			
Trade payables	17	88,272	151,568
Contract liabilities		34,353	38,993
Current income tax liabilities		19,678	17,108
Lease liabilities	10	40,864	45,783
Accrued expenses and other current liabilities	18	329,701	387,028
		512,868	640,480
Total liabilities		583,688	727,125
Net assets		4,206,535	4,616,819

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Equity			
Equity attributable to Owners of the Company			
Share capital	19	71	71
Treasury shares	19	(221,727)	(108,168)
Reserves	19	4,419,738	4,715,034
		4,198,082	4,606,937
Non-controlling interests		8,453	9,882
Total equity		4,206,535	4,616,819

The notes on pages 56 to 81 form an integral part of the condensed consolidated financial statements.

The unaudited condensed consolidated financial statements on pages 48 to 81 were approved by board of directors (the "Board") on 31 August 2026 and were signed on its behalf.

Zhang Shaofeng

Director

Chan Chun Kit

Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

		Attributable to owners of the Company						Non-	Total equity
		Share capital	Treasury shares	Capital reserves	Other reserves	Retained earnings	Total	controlling interests	
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2026									
	(audited)	71	(108,168)	4,016,337	(1,684)	700,381	4,606,937	9,882	4,616,819
	Loss for the period	-	-	-	-	(320,208)	(320,208)	(1,429)	(321,637)
	Other comprehensive expense	-	-	-	(2,048)	-	(2,048)	-	(2,048)
	Exercise of share options	19	0	27,565	(14,294)	-	13,271	-	13,271
	Recognition of equity-settled share – based payments	19	-	-	65,022	-	65,022	-	65,022
	Repurchase of ordinary shares	19	-	(164,892)	-	-	(164,892)	-	(164,892)
	Cancellation of ordinary shares	19	0	23,768	(23,768)	-	-	-	-
Balance as at 30 June 2026									
	(unaudited)	71	(221,727)	4,043,297	(3,732)	380,173	4,198,082	8,453	4,206,535

Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2026

		Attributable to owners of the Company						Non-	
	Notes	Share capital	Treasury shares	Capital reserves	Other reserves	Retained earnings	Total	controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2025									
(audited)	1	62	(298,728)	4,182,271	1	633,473	4,517,079	9,571	4,526,650
Profit for the period		–	–	–	–	190,264	190,264	10,960	201,224
Other comprehensive expense		–	–	–	(3)	–	(3)	–	(3)
Exercise of share options	19	0	32,426	(32,134)	–	–	292	–	292
Recognition of equity-settled share – based payments	19	–	–	53,225	–	–	53,225	–	53,225
Share of other reserves of investments accounted for using the equity method	19	–	–	(249)	–	–	(249)	–	(249)
Disposal of subsidiaries		–	–	–	–	–	–	(6,654)	(6,654)
Repurchase of ordinary shares	19	–	(23,769)	–	–	–	(23,769)	–	(23,769)
Cancellation of ordinary shares	19	(3)	215,111	(215,108)	–	–	–	–	–
Balance as at 30 June 2025									
(unaudited)		59	(74,960)	3,988,005	(2)	823,737	4,736,839	13,877	4,750,716

The notes on pages 56 to 81 form an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Operating activities			
Cash (used in) from operations		(380,023)	152,739
Income tax paid		(108)	(1,999)
Net cash (used in) generated from operating activities		(380,131)	150,740
Investing activities			
Purchase of property and equipment		(25,708)	(36,763)
Placement of time deposits		(985,921)	(1,674,938)
Proceeds from maturity of time deposits		1,796,417	2,534,249
Purchase of intangible assets		(50)	(200)
Purchase of investments		(2,030,013)	(4,508,511)
Proceeds from disposal of investments		1,831,066	3,571,849
Proceeds from disposal of subsidiaries, net of cash disposal of		–	20,160
Payment for investment in associates		(74,767)	(92,084)
Interest received from time deposits and coupon notes		24,578	148,890
Net cash generated from (used in) investing activities		535,602	(37,348)
Financing activities			
Payments for repurchase of ordinary shares	19	(164,892)	(24,061)
Proceeds from exercise of share options		13,271	424
Payment of lease liabilities		(29,058)	(30,248)
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	16	725,958	778,392
Effect of foreign exchange rate changes		(8,064)	(4,381)
Cash and cash equivalents at the end of the period	16	692,686	833,518

The notes on pages 56 to 81 form an integral part of the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2026

1. General information

BAIRONG AI INC. (the “**Company**,” Formerly known as BAIRONG INC.) was incorporated on 21 June, 2018 in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Island.

Pursuant to the special resolution approved at the shareholders’ meeting held on 30 June 2026 and the Certificate of Change of Name issued by the Registrar of Companies, the Company formally changed its legal name from BAIRONG INC to BAIRONG AI INC with effect from July 2026.

The Company is an investment holding company. The Company and its subsidiaries, Bairong Yunchuang Technology Co., Ltd. (“Beijing Bairong”) and Beijing Bairong’s subsidiaries (collectively referred to as the “Group”), operates AI decisioning business, AI contact center (“AICC”) business, and other business. The Group’s operations and geographic markets are 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 (“the Stock Exchange”) since 31 March 2021 by way of its initial public offering.

2. 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”).

3. Accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2025.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

3. Accounting policies (Continued)

3.1 Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to 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.

4. 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 the lending use case and AICC for new use cases) and other business.

(a) Disaggregation of revenue by service type

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (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.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

4. Revenue (Continued)

(b) Disaggregation by timing of revenue recognition

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (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 receivable 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 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.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

4. Revenue (Continued)

(c) Revenue recognition policies (Continued)

(iii) Other Business

Other business mainly comprises insurance brokerage services and revenue from intelligent marketing and operations for 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 30 June 2026 RMB'000	As at 31 December 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.

The Group's chief operating decision maker has been identified as the Chief Executive Officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group. For the purpose of internal reporting and management's operation review, the Group's Chief Executive Officer and management personnel do not segregate the Group's business by service lines. All service categories are viewed as one and the only operating segment.

All of the Group's operating assets are located in the PRC and all of the Company's revenue and operating profits are derived from the PRC during the periods. Accordingly, no analysis based on geographical locations is provided.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

5. Other income, other gains and losses

	Six months ended 30 June	
	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 30 June 2026 are mainly the fair-value change of the investment in venture capital and private equity funds.

6. Income tax expense

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

7. (Loss)/profit for the period

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

	Six months ended 30 June	
	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

8. Dividends

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

9. (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 30 June	
	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 loss per share for the six months ended 30 June 2026 has not considered shares options granted under the share incentive plan (note 20), the unvested restricted-shares, as its inclusion would be anti-dilutive.

10. Property and equipment, right-of-use assets and intangible assets

During the six months ended 30 June 2026, the Group acquired property and equipment with cost of RMB22,504,000 (the six months ended 30 June 2025: RMB50,148,000).

During the six months ended 30 June 2026, the Group acquired intangible assets with cost of RMB50,000 (the six months ended 30 June 2025: RMB200,000).

During the six months ended 30 June 2026, the Group renewed several lease agreements and entered into several new lease agreements with lease terms ranged from 0.5 to 4.0 years (six months ended 30 June 2025: 0.8 to 4.7 years). On date of lease modification or lease commencement, the Group recognized right-of-use assets of RMB6,451,000 (six months ended 30 June 2025: 12,173,000) and lease liabilities of RMB5,614,000 (six months ended 30 June 2025: 10,501,000).

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

11. Interests in associates

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Investment in associates	354,983	375,498

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Opening balance as at 1 January	375,498	197,436
Additions	74,767	92,084
Conversion from a subsidiary to an associate (i)	–	54,713
Conversion from an associate to FVTPL (ii)	(86,183)	–
The Group's share of losses	(9,056)	(5,195)
Share of changes of other reserves	–	(249)
Share of changes of other comprehensive income	(43)	(3)
Closing balance as at 30 June	354,983	338,786

Notes:

- (i) During the six-months ended 30 June 2025, the Group transferred 20% equity interests in All Union to a third party, and could no longer exercise control on Beijing All Union Technology Co., Ltd. ("All Union"). Accordingly, the Group recorded its investment in All Union using equity method. The Group remeasured All Union to its fair value of RMB54,713,000.
- (ii) During the six-months ended 30 June 2026, the Group resigned from the investment committee of GPTX Hong Kong Pan-AI Industrial Limited Partnership Fund ("GPTX AI Fund"), which resulted in the loss of significant influence over the fund. Accordingly, the Group recorded its investment in GPTX AI Fund as financial asset at FVTPL.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

12. Trade receivables

	As at 30 June 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 30 June 2026 RMB'000	As at 31 December 2025 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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

13. Loans receivables

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Loans facilitated through Guangzhou Shurong Internet Micro-lending Co., Ltd.		
– Consumer loans	265,201	275,084
Loans receivables	265,201	275,084
Less: allowance for loan losses	(54,856)	(30,182)
Loans receivables, net	210,345	244,902

The following table presents the ageing of past-due loan principles as of 30 June 2026 and 31 December 2025, respectively:

	Current	1 – 90 days past due	Over 90 days past due	Total loans
	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 June 2026	209,090	10,132	45,979	265,201
As at 31 December 2025	242,999	13,365	18,720	275,084

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

13. Loans receivables (Continued)

The following table presents the movements in the allowance for loan losses are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Balance at the beginning of the period	30,182	8,082
Additions	24,636	5,759
Recoveries	38	2
Balance at the end of the period	54,856	13,843

For the period ended 30 June 2026, certain independent borrowers with a gross carrying amount of RMB27.3 million (30 June 2025: RMB4.6 million) were identified as credit-impaired, and a full impairment allowance has been recognised in respect of these exposures.

The following table presents an analysis of the relevant maturity based on the remaining periods to repayment at 30 June 2026 and 2025, respectively:

	As at	As at
	30 June	31 December
	2026	2025
	RMB'000	RMB'000
Within 3 months (inclusive)	71,557	64,042
Between 3 months and 1 year (inclusive)	138,788	180,860
Loans receivables, net	210,345	244,902

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

14. Prepaid expenses and other assets

		As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
	note		
Current assets			
Deposits		49,821	25,132
Advances to suppliers		21,000	9,365
Interest receivable		12,680	20,027
Prepaid expenses		5,342	6,305
Recoverable value-added tax and other taxes		–	2,540
Others		15,976	15,345
		104,819	78,714
Non-current assets			
Prepayment of acquisition of investment	(i)	69,484	–
		174,303	78,714

Note:

- (i) This investment consists of capital contributions subscribed by the Group to Key S Tech (Cayman) Limited. As at 30 June, the investment transaction had not yet closed.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

15. Financial assets at FVTPL

		As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
	note		
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 ("NPLs") from asset management companies (AMCs).
- (v) Wealth management products were mainly issued by commercial banks in the PRC.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

16. Cash and cash equivalents and time deposits

(a) Cash and cash equivalents comprise:

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Cash at bank	648,210	459,620
Cash equivalents (i)	44,476	266,338
Cash and cash equivalents	692,686	725,958

(i) Cash equivalents mainly represent cash balances kept in the securities brokerage account, which can be withdrawn by the Group at any time.

(b) Time deposits

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Non-current		
Time deposit	190,000	190,000
Current		
Time deposits	750,570	1,585,647
	940,570	1,775,647

As at 30 June 2026, time deposits with initial terms of over three months were neither past due nor impaired.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

17. Trade payables

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

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

	As at 30 June 2026 RMB'000	As at 31 December 2025 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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

18. Accrued expenses and other current liabilities

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Accrued payroll and welfare	166,680	235,362
Accrued expenses	120,579	111,444
Value Added Tax and surcharges payable	25,788	36,642
Investment payable	13,283	–
Deposit received	1,681	3,580
Others	1,690	–
	329,701	387,028

All of the accrued expenses and other current liabilities are expected to be settled and expensed within one year or are repayable on demand.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

19. Share capital, treasury shares and capital reserves

	Number of Shares	Share capital		Treasury shares	Capital reserves
		US\$'000	RMB'000	RMB'000	RMB'000
As at 1 January 2026	467,727,911	9	71	(108,168)	4,016,337
Exercise of share options	3,599,259	0	0	27,565	(14,294)
Recognition of equity-settled share – based payments	–	–	–	–	65,022
Cancellation of ordinary shares (note)	(3,274,500)	0	0	23,768	(23,768)
Repurchase of ordinary shares (note)	–	–	–	(164,892)	–
As at 30 June 2026	468,052,670	9	71	(221,727)	4,043,297
As at 1 January 2025	491,396,186	10	62	(298,728)	4,182,271
Exercise of share options	457,705	0	0	32,426	(32,134)
Recognition of equity-settled share – based payments	–	–	–	–	53,225
Share of other reserves of investments accounted for using the equity method	–	–	–	–	(249)
Cancellation of ordinary shares (note)	(25,313,000)	(1)	(3)	215,111	(215,108)
Repurchase of ordinary shares (note)	–	–	–	(23,769)	–
As at 30 June 2025	466,540,891	9	59	(74,960)	3,988,005

Note: During the six months ended 30 June 2026, the Company repurchased 17,266,500 (six months ended 30 June 2025: 3,274,500) ordinary shares on the SEHK with total cash consideration of HK\$184,773,000 (six months ended 30 June 2025: HK\$25,755,000) equivalent to approximately RMB164,892,000 (six months ended 30 June 2025: RMB23,769,000), 3,274,500 (six months ended 30 June 2025: 25,313,000) had been cancelled and deducted from the share capital and capital reserve within shareholders' equity. As at 30 June 2026, the total number of shares recorded as treasury shares was 24,426,399 (31 December 2025: 13,603,274).

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

20. Share – based payments

The 2019 Share Scheme (the “2019 ESOP”) was adopted in August 2019. Under the 2019 ESOP, the total number of share options shall not exceed 12,963,556. The Group will not grant further options under the 2019 Plan after the initial public offering.

The 2021 Share Scheme (the “2021 ESOP”) was adopted on 16 March 2021 from initial public offering. Under the 2021 ESOP, the total number of share options shall not exceed 41,098,971. The Group will not grant further options under the 2021 ESOP after the Group adopted the 2024 Share Scheme on June 21, 2024.

The 2024 Share Scheme (the “2024 ESOP”) was adopted on 21 June 2024 at the conclusion of the Company’s 2024 annual general meeting. Under the 2024 ESOP, the total number of share options shall not exceed 49,102,996. The Group granted nil and 9,822,000 of share options to its employees and directors during the six months ended 30 June 2025 and 2026. The weighted average fair value of options granted during the six months ended 30 June 2026 was HK\$3.44 per share (30 June 2025: Nil).

A share award scheme (the “2021 RSUs”) was adopted on May 28, 2021. The Group will not grant further restricted share units under the 2021 RSUs after the Group adopted the 2024 Share Award Scheme on June 21, 2024.

The share award scheme (the “2024 Share Award Scheme”) was adopted on June 21, 2024. Under the 2024 RSUs, the Group granted 6,747,500 and 15,519,500 of restricted share units (the “2024 RSUs”) to its employees, consultants, and directors during the six months ended 30 June 2025 and 2026 respectively.

The 2024 RSUs awarded vest in tranches from the grant date over a certain service period, on condition that employees remain in service and applicable performance requirements. Once the vesting conditions underlying the respective RSUs are met, the RSUs are considered duly and validly issued to the holder, and free of restrictions on transfer.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

20. Share – based payments (Continued)

Movements in the number of share options granted to employees and their related weighted average exercise prices are as follow:

	Options outstanding	Weighted average exercise price RMB
Outstanding at 1 January 2025	44,597,293	9.63
Granted	–	Not applicable
Exercised	(457,705)	0.82
Forfeited	(243,500)	10.18
Outstanding at 30 June 2025	43,896,088	9.73
Exercisable as of 30 June 2025	20,773,263	8.3
Outstanding at 1 January 2026	42,077,068	9.97
Granted	9,822,000	7.52
Exercised	(3,599,259)	3.74
Forfeited	(864,531)	8.65
Outstanding at 30 June 2026	47,435,278	10.05
Exercisable as of 30 June 2026	27,308,428	10.44

The weighted-average remaining contract life for outstanding share options was 7.65 years and 6.16 years as of June 30, 2026 and December 31, 2025 respectively.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

20. Share – based payments (Continued)

Options granted to employees were measured at fair value on the dates of grant based on the Binomial Option Pricing Model with the following assumptions:

	2019 ESOP	2021 ESOP	2024 ESOP
Expected volatility	33% – 36%	33.00%-34.28%	34.62%-36%
Risk-free interest rate	2.85% – 3.28%	1.58%-3.76%	2.95%-3.01%
Exercise price		HKD9.602 –	HKD8.51 –
	RMB0.20	HKD13.80	HKD11.276
Expected dividend yield	–	–	–
Fair value of the underlying shares on the	RMB27.00 –	RMB7.75 –	RMB7.52 –
date of option grants (per share)	RMB27.13	RMB12.52	RMB9.34

The fair value of each restricted share unit (“RSU”) at the grant date was determined by reference to the fair value of the ordinary shares of the Group that issued to its shareholders. Movements in the number of RSUs and the respective weighted average grant date fair value are as below:

	Number of RSUs	Weighted average grant date fair value per RSU RMB
Outstanding at 1 January 2025	17,121,625	9.57
Granted	6,747,500	7.14
Exercised	(3,775,875)	10.61
Forfeited	(883,375)	8.78
Outstanding at 30 June 2025	19,209,875	8.54
Outstanding at 1 January 2026	20,095,625	8.73
Granted	15,519,500	9.85
Exercised	(3,168,875)	10.00
Forfeited	(1,946,000)	9.32
Outstanding at 30 June 2026	30,500,250	9.13

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

20. Share – based payments (Continued)

The total share-based compensation expenses recognized in the consolidated statement of profit or loss are RMB65,022,000 and RMB53,225,000 for the periods ended 30 June 2026 and 2025, respectively.

21. Fair value measurements of financial instruments

Fair value measurements and valuation processes

The fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset that are not based on observable market data (significant unobservable inputs).

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Level 2		
Assets		
Fund investments	178,643	243,742
Level 3		
Assets		
Wealth management products	367,735	345,547
Fund investments	245,040	284,348
Unlisted equity securities	184,093	183,003
Investments in venture capital and private equity funds	422,123	51,130
Beneficial interests in non-performing loans	280,423	221,896
	1,499,414	1,085,924

During the six months ended 30 June 2026 and 2025, there were no transfers between Level 1, Level 2 and Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

21. Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

This note provides information about how the Group determines fair value of the following financial assets that are measured at fair value on a recurring basis.

	Fair value as at		Fair value hierarchy	Valuation Technique(s)	Significant unobservable inputs(s)
	30 June	31 December			
	2026	2025			
	RMB'000 (unaudited)	RMB'000 (audited)			
Unlisted equity investments	184,093	183,003	Level 3	Comparable companies analysis valuation	Liquidity discount
Investments in venture capital and private equity funds	422,123	51,130	Level 3	Net asset value of the underlying unlisted investments which are the deemed resale price of investments provided by the external counterparties	Net asset value
Wealth management products	367,735	345,547	Level 3	Discounted cash flow-future cash flow are estimated based on annual return rate and discounted at a rate that reflects the risk of investments	Expected future cash flows and discount rate
Fund investments	178,643	243,742	Level 2	Based on the net asset values of the funds, determined with reference to observable (quoted) prices of underlying investment portfolio and adjustments of related expenses	N/A

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

21. Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

	Fair value as at		Fair value hierarchy	Valuation Technique(s)	Significant unobservable inputs(s)
	30 June 2026	31 December 2025			
	RMB'000	RMB'000			
	(unaudited)	(audited)			
Fund investments	245,040	284,348	Level 3	Discounted cash flow-future cash flow are estimated based on forecast earnings, and discounted at a rate that reflects the risk of investments	Expected future cash flows and discount rate
Beneficial interests in non-performing loans	280,423	221,896	Level 3	Discounted cash flow-future cash flow are estimated based on forecast recovery of non-performing loans, and discounted at a rate that reflects the credit risk of investments	Expected future cash flows and discount rate
	1,678,057	1,329,666			

It is estimated that with all other variables held constant, if the fair values of level 3 items increased/decreased by 1%, the aggregate profit before taxation as of 30 June 2026 and 31 December 2025 would have increased/decreased by RMB14,994,000 and RMB10,859,000, respectively.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

21. Fair value measurements of financial instruments (Continued)

Valuation techniques and inputs used in Level 3 fair value measurement:

The movements of Level 3 items for the six months ended 30 June 2026 and 2025 are as follows:

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
At the beginning of the period	1,085,924	419,547
Additions	2,059,994	4,299,076
Disposals	(1,742,488)	(3,487,443)
Change in fair value	95,984	16,888
At the end of the period	1,499,414	1,248,068

The carrying amounts of the Group's financial assets and financial liabilities measured at amortised cost are approximate their fair values.

Of the total gains or losses for the period included in profit or loss, a gain of RMB95,984,000 (six months ended 30 June 2025: a gain of RMB16,888,000) relates to financial assets at FVTPL held at the end of the current reporting period. Fair value gains or losses on financial assets at FVTPL are included in "other income, other gains and losses."

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

22. Related party transactions

Key management personnel remuneration

Remuneration for key management personnel of the Group during the periods is as follows:

	Six months ended 30 June 2026 RMB'000	Six months ended 30 June 2025 RMB'000
Directors' fees	525	1,701
Salaries, allowances and benefits in kind	1,735	2,107
Retirement scheme contributions	125	83
Share-based payments	18,757	26,842
Key management personnel remuneration	21,142	30,733

23. Contingencies

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

24. Commitment

Commitments outstanding at 30 June 2026 not provided for in the financial statements were as follows:

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Investments	139,220	150,000

Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2026

25. Events occurring after the reporting period

On August 26, 2026, the placing of 37,393,500 non-listed warrants under a specific mandate was completed. The placing was conducted at a price of HK0.29 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 2 July 2026, Bairong AI Inc. 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.

Definitions

"2019 ESOP"	the share incentive plan approved and adopted in August 2019, the principal terms of which are set out in "Statutory and general information-Share Schemes" in Appendix V in the Prospectus
"2021 ESOP"	the post-IPO share option scheme conditionally approved and adopted by our Company on March 16, 2021, the principal terms of which are set out in "Statutory and general information-Share Schemes" in Appendix V in the Prospectus
"2021 Schemes"	the 2021 ESOP and the 2021 Share Award Scheme
"2021 Share Award Scheme"	the share award scheme adopted by the Board on May 28, 2021 as amended from time to time
"2025 Annual Report"	the annual report of the Company for the financial year ended December 31, 2025 published on April 28, 2026
"2024 Share Scheme"	the 2024 share scheme of the Company adopted on June 21, 2024
"2024 Share Scheme Rules"	the rules relating to the 2024 Share Scheme as amended from time to time
"AI"	artificial intelligence
"Articles of Association"	the articles of association of the Company, as amended from time to time
"Audit Committee"	the audit committee of the Board

Definitions (Continued)

“Beijing Bairong” or “Onshore Holdco” or “variable interest entity”	Bairong Yunchuang Technology Co., Ltd. (百融雲創科技股份有限公司), a company established in China with limited liability on March 19, 2014, and a Consolidated Affiliated Entity of our Company
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China and for the purposes of this document only, except where the context requires otherwise, references to China or the PRC exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Class A Share(s)”	class A ordinary share(s) in the share capital of our Company with a par value of US\$0.00002 each, conferring weighted voting rights in our Company such that a holder of a Class A Share is entitled to ten votes per share on any resolution tabled at the Company’s general meetings, save for resolutions with respect to any Reserved Matters, in which case they shall be entitled to one vote per share
“Class B Share(s)”	class B ordinary share(s) in the share capital of our Company with a par value of US\$0.00002 each, conferring a holder of a Class B Share one vote per share on any resolution tabled at the Company’s general meetings
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, or “the Company”	Bairong AI Inc., a company with limited liability incorporated in the Cayman Islands on June 21, 2018

Definitions (Continued)

“Consolidated Affiliated Entity(ies)”	Onshore Holdco and its subsidiaries and affiliated entities, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of our Company by virtue of the Contractual Arrangements
“Contractual Arrangement(s)”	the series of contractual arrangements entered into between, among others, the WFOE, the Onshore Holdco and the then Registered Shareholders, as detailed in “Contractual Arrangements” in the Prospectus and as amended, restated, renewed, reproduced or joined from time to time
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Zhang and the direct and indirect companies through which Mr. Zhang has an interest in the Company, namely Genisage Tech Inc., Genisage Holdings Limited, GeniAI Tech Ltd. and RongXing Trust
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code set out in Appendix C1 of the Listing Rules, as amended from time to time
“Corporate Governance Committee”	the corporate governance committee of the Board
“Director(s)”	the director(s) of our Company
“FSP”	financial services provider
“Global Offering”	the public offering of the Company’s Class B Shares as defined and described in the Prospectus

Definitions (Continued)

“Group”, “we” or “us”	the Company, its subsidiaries, and the Consolidated Affiliated Entities (the financial results of which have been consolidated and accounted for as subsidiaries of our Company by virtue of the Contractual Arrangements) from time to time, and in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	International Financial Reporting Standards, as issued by the International Accounting Standards Board
“Key Clients”	refers to clients that each contribute more than RMB300,000 total revenue to the Company year-to-date
“Key Client retention rate”	the percentage of the Key Clients we have in a given year that we continue to retain during the next twelve months
“Listing”	the listing of the Class B Shares on the Main Board
“Listing Date”	March 31, 2021, the date on which the Shares were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

Definitions (Continued)

“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (formerly known as the Ministry of Information Industry of the PRC (中華人民共和國信息產業部))
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules, as amended from time to time
“Mr. Zhang” or “WVR Beneficiary”	Mr. Zhang Shaofeng, our founder, executive Director, chairperson, chief executive officer and Controlling Shareholder, as well as the holder of the Class A Shares entitling him to weighted voting rights
“Nomination Committee”	the nomination committee of the Board
“PRC Legal Adviser”	Commerce & Finance Law Offices
“Prospectus”	the prospectus of the Company dated March 19, 2021
“Registered Shareholders”	the registered shareholders of the Onshore Holdco from time to time
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the six-month period from January 1, 2026 to June 30, 2026

Definitions (Continued)

“Reserved Matters”	those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to the Articles of Association, being: (i) any amendment to the Memorandum or Articles of Association, including the variation of the rights attached to any class of shares; (ii) the appointment, election or removal of any independent non-executive Director; (iii) the appointment or removal of the Company’s auditors; and (iv) the voluntary liquidation or winding-up of the Company
“RMB”	Renminbi yuan, the lawful currency of China
“RSU Scheme”	the restricted share unit scheme adopted on June 21, 2024
“RSU Scheme Rules”	the rules relating to the RSU Scheme adopted on June 21, 2024 as amended from time to time
“Scheme Administrator”	any committee of the Board or other persons to whom the Board has delegated its authority to administer the 2024 Share Scheme and/or the RSU Scheme in accordance with the 2024 Share Scheme Rules and/or the RSU Scheme Rules, as the case may be
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the Class A Shares and Class B Shares in the share capital of our Company
“Share Schemes”	the 2019 ESOP, the 2021 ESOP and the 2021 Share Award Scheme, the 2024 Share Scheme and the RSU Scheme

Definitions (Continued)

"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"treasury shares"	has the meaning ascribed thereto under the Listing Rules
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US\$"	United States dollars, the lawful currency of the United States
"weighted voting rights" or "WVR"	has the meaning ascribed to it under the Listing Rules
"WFOE"	Tianjin Bairong Technology Co., Ltd. (天津百融科技有限公司), a company established in China on August 14, 2018, and a wholly owned subsidiary of our Company
"%"	per cent

