Bairong Inc.
百融雲創

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

(Stock Code: 6608)

POSITIVE PROFIT ALERT

This announcement is made by Bairong Inc. (the "**Company**", and together with its subsidiaries and consolidated affiliated entities, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 Laws of Hong Kong).

The board ("**Board**") of directors ("**Directors**") of the Company wishes to inform the shareholders (the "**Shareholders**") and the potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended December 31, 2022 and the information of the Group currently available to the Board, the Group is expected to turn from loss to profit for the year ended December 31, 2022, recording a profit of approximately RMB221 million to RMB228 million. The Group is expected to record a non-IFRS adjusted profit of approximately RMB286 million to RMB293 million for the year ended December 31, 2022, representing an increase of approximately 103% to 108% as compared to the same period last year.

Such increase is mainly attributable to a number of factors, including the revenue from smart analytics and operation services, which as a core business, amounted to approximately RMB1,022 million to RMB1,038 million, representing an increase of approximately 39% to 41% as compared to the same period of last year, as the business line continued to leverage its scale of operation to increase both revenue and profit. Specifically, the revenue from smart operation services increased by approximately 140% as compared to the same period of last year. Benefiting from the advantages of artificial intelligence ("**AI**"), this business line offers its self-developed smart AI-powered chatbot (Chatbot) and algorithm-driven smart marketing platform to help banks and other financial institutions complete jobs such as credit card users revitalization, wealth management marketing and users relationship management, effectively enhancing service accuracy and operational efficiency of financial institutions. Chatbot technology integrates natural language processing (NLP), automatic speech recognition (ASR), text-to-speech (TTS), voice activity detection (VAD) and other technologies, which can be applied to financial vertical scenarios to accurately recognize human language, provide millisecond-level voice interaction and feedback with extremely high accuracy for automatic speech recognition, and is capable of operating tens of millions of users and handling more than 100 million automatic interactions per day. This technology is combined with the Company's years of experience in working with financial institutions and the human-machine collaboration, enabling quick adaptation to serve various financial institutions customers. In addition, profit growth is also attributable to the positive impact of the changes in interest rate and currency exchange rate.

As a number of banks have included accelerating digital transformation of financial services into their 2023 business strategies, the Company will make good use of the business opportunities and continue to increase its investments in tools such as Chatbot, NLP, AutoML, deep learning and privacy computing, as well as underlying algorithms such as transformer, model performance tuning and complex neural networks, continue to leverage its technological advantages of AI, big data and cloud computing to serve various financial scenarios including smart operation, smart risk control, smart marketing and smart investment advisory, striving to become a one-stop enabler for the digital and intelligent transformation of financial institutions' full-link business.

The Company is still in the process of finalizing its annual results for the year ended December 31, 2022. The information contained in this announcement is only based on the Company's preliminary evaluation of the information currently available to the Group but not any financial or other figures that have been audited or reviewed by the Company's auditor. Further adjustments and finalization of the Group's 2022 annual financial results may be required. Shareholders and investors are therefore advised to read carefully the annual results announcement of the Company for the year ended December 31, 2022, which will be published in March 2023.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Bairong Inc.
Zhang Shaofeng
Chairman

Hong Kong, February 15, 2023

As at the date of this announcement, the Board comprises Mr. Zhang Shaofeng, Mr. Zhao Hongqiang and Ms. Zhao Jing as executive Directors, Mr. Bai Linsen and Mr. Ou Wenzhi as non-executive Directors, and Professor Chen Zhiwu, Mr. Zhou Hao, Professor Guo Yike and Dr. Li Yao as independent non-executive Directors.