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BaWang International (Group) Holding Limited

霸王國際（集團）控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01338)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “**Board**”) of directors (the “**Directors**”) of BaWang International (Group) Holding Limited (the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**” or “**we**”) for the six months ended 30 June 2025 together with comparative figures for the same period last year.

The Board refers to the profit warning announcement of the Company dated 17 July 2025. The following sets forth a summary of the unaudited consolidated results of the Group for the six months ended 30 June 2025:

Total revenue of the Group was approximately RMB120.1 million, representing an increase of approximately 9.3% from approximately RMB109.8 million for the same period last year.

Revenue through the online sales channel was approximately RMB67.6 million, representing an increase of approximately 21.5% from approximately RMB55.6 million for the same period last year.

Operating loss of the Group was approximately RMB2.3 million, as compared with the operating profit of approximately RMB1.7 million for the same period last year.

Net loss was approximately RMB2.8 million, as compared with the net profit of approximately RMB1.2 million for the same period last year.

Loss attributable to owners of the Company was approximately RMB2.8 million, as compared with the profit of approximately RMB1.2 million for the same period last year.

Loss per share (both basic and diluted) was approximately RMB0.09 cents.

Following review of the operating results of the Group, the Board does not recommend the payment of an interim dividend.

* for identification purpose only

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	120,066	109,820
Cost of sales		<u>(67,293)</u>	<u>(58,428)</u>
Gross profit		52,773	51,392
Other income		2,343	826
Selling and distribution costs		(41,208)	(37,366)
Administrative expenses		(14,685)	(13,047)
Impairment losses in respect of trade receivables		(1,558)	(32)
Other expenses		<u>(14)</u>	<u>(56)</u>
Operating (loss)/profit		(2,349)	1,717
Finance cost	5	<u>(312)</u>	<u>(528)</u>
(Loss)/profit before taxation	6	(2,661)	1,189
Taxation	7	<u>(109)</u>	<u>21</u>
(Loss)/profit for the period attributable to owners of the Company		<u><u>(2,770)</u></u>	<u><u>1,210</u></u>
(Loss)/earnings per share	9		
Basic (RMB cents)		<u><u>(0.09)</u></u>	<u><u>0.04</u></u>
Diluted (RMB cents)		<u><u>(0.09)</u></u>	<u><u>0.04</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/profit for the period attributable to owners of the Company	(2,770)	1,210
Other comprehensive income for the period		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of financial statements from functional currency to presentation currency	<u>632</u>	<u>730</u>
Total comprehensive (expense)/income for the period attributable to owners of the Company	<u>(2,138)</u>	<u>1,940</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
	Notes		
Non-current assets			
Property, plant and equipment		49,355	40,840
Right-of-use assets		9,481	13,845
Deferred tax assets		198	307
Deposit paid for acquisition of property, plant and equipment		977	5,027
		<u>60,011</u>	<u>60,019</u>
Current assets			
Inventories		33,184	33,978
Right to returned goods asset		120	319
Trade and other receivables	10	19,028	20,793
Time deposits		45,000	—
Bank balances and cash		49,891	120,324
		<u>147,223</u>	<u>175,414</u>
Current liabilities			
Trade and other payables	11	47,883	65,798
Contract liabilities		5,012	7,711
Refund liabilities		210	561
Lease liabilities		10,542	10,307
		<u>63,647</u>	<u>84,377</u>
Net current assets		<u>83,576</u>	<u>91,037</u>
Total assets less current liabilities		<u>143,587</u>	<u>151,056</u>
Non-current liability			
Lease liabilities		257	5,588
Net assets		<u>143,330</u>	<u>145,468</u>
Capital and reserves			
Share capital	12	277,932	277,932
Reserves		(134,602)	(132,464)
Total equity		<u>143,330</u>	<u>145,468</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL AND BASIS OF PREPARATION

BaWang International (Group) Holding Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its immediate holding company is Fortune Station Limited, which is incorporated in the British Virgin Islands (the “**BVI**”) and is owned as to: (1) 49.57% by Heroic Hour Limited, a company that is beneficially owned as to 22.00% by Mr. CHEN Zheng He, the chief executive officer and an executive director of the Company, and 78.00% by Mr. CHEN Zheng He’s six brothers and sisters; and (2) 50.43% by Mr. CHEN Qiyuan, the chairman of the board of directors of the Company (the “**Directors**”).

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are manufacturing and sales of the household and personal care products.

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is the functional currency of the principal subsidiaries of the Group where the primary economic environment is in the PRC. Other than the subsidiaries established in the PRC which functional currencies are RMB, the functional currency of the Company and other subsidiaries is Hong Kong dollars (“**HK\$**”). All values are rounded to the nearest thousand (“**RMB’000**”) unless otherwise stated.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange. These condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards issued by the IASB.

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024 except as described below.

Application of new and amendments to IFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRS Accounting Standards issued by the IASB which are effective for the Group's financial year beginning on 1 January 2025:

Amendments to IAS 21 Lack of Exchangeability

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee of the IASB which is relevant to the Group.

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

4. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising on sales of goods, net of discounts and sales related taxes. An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products		
Manufacturing and sales of the household and personal care products		
Hair-care products	105,955	99,582
Skin-care products	—*	—*
Other household and personal care products	14,111	10,238
	120,066	109,820

Disaggregation of revenue from contracts with customers by timing of recognition

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
At a point in time	<u>120,066</u>	<u>109,820</u>

* The amount is less than RMB1,000.

Information reported to the executive directors of the Company, being the chief operation decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. The CODM has chosen to organise the Group around differences in products. The segments are managed separately as each operating segment offers different products which require different production information to formulate different strategies.

Specifically, the Group’s reportable segments are as follows:

- Hair-care products
- Skin-care products
- Other household and personal care products

Operating segments including manufacture and sales of other household and personal care products have been aggregated into a single reporting segment after taking into account that none of which is of a sufficient size to be reported separately.

The CODM is provided with segment information concerning segment revenue and result. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the six months ended 30 June 2025

	Hair-care products <i>RMB'000</i> (Unaudited)	Skin-care products <i>RMB'000</i> (Unaudited)	Other household and personal care products <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Sales to external customers	<u>105,955</u>	<u>—*</u>	<u>14,111</u>	<u>120,066</u>
Segment profit/(loss)	<u>4,721</u>	<u>—*</u>	<u>(5,750)</u>	(1,029)
Bank interest income				469
Other income				219
Corporate and other unallocated expenses				<u>(2,320)</u>
Loss before taxation				<u><u>(2,661)</u></u>

* The amount is less than RMB1,000.

For the six months ended 30 June 2024

	Hair-care products <i>RMB'000</i> (Unaudited)	Skin-care products <i>RMB'000</i> (Unaudited)	Other household and personal care products <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Sales to external customers	<u>99,582</u>	<u>—*</u>	<u>10,238</u>	<u>109,820</u>
Segment profit/(loss)	<u>3,297</u>	<u>—*</u>	<u>(1,467)</u>	1,830
Bank interest income				637
Other income				189
Corporate and other unallocated expenses				<u>(1,467)</u>
Profit before taxation				<u><u>1,189</u></u>

* The amount is less than RMB1,000.

Segment results represent the profit earned by/(loss) from each segment without allocation of bank interest income, gain on sales of scrap materials, central administrative costs and directors' emoluments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. FINANCE COST

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on lease liabilities	<u>312</u>	<u>528</u>

6. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Bank interest income	(469)	(637)
Allowance/(reversal of allowance losses) on inventories (included in cost of inventories recognised as an expense)	456	(207)
Depreciation of property, plant and equipment	6,924	7,880
Depreciation of right-of-use assets	4,364	4,364
Obsolete inventories written-off (included in cost of inventories recognised as an expense)	288	123
Loss on disposal of property, plant and equipment	<u>14</u>	<u>56</u>

7. TAXATION

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Deferred tax (expense)/credit	<u>(109)</u>	<u>21</u>

- (i) Under the Law of the PRC on Enterprise Income Tax (the “**PRC EIT Law**”) and Implementation Regulation of the PRC EIT Law, the tax rate of the subsidiaries is 25% from 1 January 2008 onwards.

Pursuant to circular issued by Ministry of Finance and State Taxation Administration on 17 January 2019, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% from 1 January 2019 to 31 December 2021. On 2 April 2021, a circular was issued by Ministry of Finance and State Taxation Administration, the corporate income tax was halved on the basis of above preferential policies and the policies were extended from 1 January 2021 to 31 December 2022. On 26 March 2023, a circular was issued by Ministry of Finance and State Taxation Administration, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 is entitled to a preferential tax treatment of 25% included in taxable income and application of income tax rate as 20% from 1 January 2023 to 31 December 2024. On 2 August 2023, a circular was issued by Ministry of Finance and State Taxation Administration and the above policies were further extended to 31 December 2027. Certain PRC subsidiaries of the Group were qualified for this preferential tax treatment during the six months ended 30 June 2025 and 2024.

The PRC EIT Law allows enterprises to apply for the certificates of “High and New Technology Enterprise” (“**HNTE**”) which entitles the qualified companies to a preferential income tax rate of 15%. Bawang (Guangzhou) Co., Ltd. (“**Bawang Guangzhou**”), a PRC subsidiary of the Group, was qualified as a HNTE since 2009. For the six months ended 30 June 2025 and 2024, Bawang Guangzhou has no tax payable on the profit arising in PRC since the assessable profit is wholly absorbed by tax losses brought forward.

- (ii) No provision for Hong Kong Profits Tax has been provided for the six months ended 30 June 2025 and 2024 as the Group did not have any assessable profits subject to Hong Kong Profits Tax for these periods.
- (iii) Pursuant to the laws and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI for the six months ended 30 June 2025 and 2024.

8. DIVIDENDS

No dividend was paid or proposed for the six months ended 30 June 2025 (six months ended 30 June 2024: nil), nor has any dividend been proposed since 30 June 2025.

9. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the loss for the period of approximately RMB2,770,000 (six months ended 30 June 2024: earnings for the period of approximately RMB1,210,000) and the weighted average number of approximately 3,162,441,000 (six months ended 30 June 2024: approximately 3,162,441,000) ordinary shares in issue during the period.

Diluted (loss)/earnings per share was the same as the basic (loss)/earnings per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024 or at the end of both reporting periods.

10. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are debtors (net of allowance for impairment of trade receivables) with the following ageing analysis presented based on the invoice date, which approximates the respective revenue recognition dates:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Less than 3 months	<u>15,922</u>	<u>17,202</u>
Total debtors, net of allowance for impairment of trade receivables	15,922	17,202
Prepayment for purchase of raw materials	1,067	1,148
Other prepayments	1,374	1,177
Bank interest receivables	160	806
Tax receivables other than income tax	138	115
Other receivables	<u>367</u>	<u>345</u>
	<u>19,028</u>	<u>20,793</u>

The Group allows an average credit period of 30 to 90 days to its trade customers.

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are creditors with the following ageing analysis presented based on the invoice date at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month or on demand	9,481	9,283
After 1 month but within 3 months	<u>8,303</u>	<u>12,361</u>
Total creditors	17,784	21,644
Promotion fee payables	7,920	9,305
Accrued payroll	1,685	3,903
Tax payables other than income tax	5,110	6,677
Other payables and accruals	<u>15,384</u>	<u>24,269</u>
	<u>47,883</u>	<u>65,798</u>

12. SHARE CAPITAL AND RESERVES

	Number of shares '000	Amount RMB'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 January 2024 (audited), 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	<u>10,000,000</u>	<u>880,500</u>
Issued and fully paid:		
At 1 January 2024 (audited), 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	<u>3,162,441</u>	<u>277,932</u>

13. OTHER COMMITMENT

At the end of respective reporting period, the Company has other commitment as follow:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Amount contracted for but not provided for in the condensed consolidated financial statements in respect of acquisition of property, plant and equipment	<u>110</u>	<u>511</u>

BUSINESS REVIEW

The Directors report that the total revenue of the Group for the six months ended 30 June 2025 was approximately RMB120.1 million, representing an increase of approximately 9.3% from approximately RMB109.8 million for the same period last year. The operating loss of the Group for the six months ended 30 June 2025 was approximately RMB2.3 million, as compared with the operating profit of approximately RMB1.7 million for the same period last year.

For the six months ended 30 June 2025, the net loss of the Group was approximately RMB2.8 million, as compared with the net profit of approximately RMB1.2 million for the same period last year.

For further information on the operating performance of the Group, please refer to the “Financial Review” section of this announcement.

During the period under review, the Group continued to operate under the value-chain-oriented business model, which enabled the Group to control the cost of sales and operating costs at a sustainable level.

For brand promotion, the Group adopted the following strategies for publicity and promotion of its branded products and increasing its sales revenue during the period under review:

- (1) We continuously offered high quality Bawang branded products for satisfying Chinese consumers’ desire for and confidence in domestically manufactured products in promoting our Bawang branded products series, and further reinforcing our brand concept of “Daunted by hair-fall, Use Bawang Shampoo” in their minds when making purchasing decisions.
- (2) We established a multi-channel new media communication matrix covering official Weibo, Douyin, Xiaohongshu, Kuaishou, and other online platforms. Through a dual-pronged approach of influencer marketing and word-of-mouth promotion, we effectively enhanced brand awareness and reputation, converted the target customer group’s buying desires into actual spending, and promoted converted growth momentum in the sales of brand products.
- (3) We relied on our new hi-tech equipment, self-developed patented technology, and new anti-hair loss special permit to continuously build a moat to protect our competitive market positioning through technological innovation. At the same time, we focused on the lifestyle preferences of young consumers and launched innovative anti-hair loss shampoo with packaging that aligns with their aesthetics, effectively stimulating young consumers’ attention and interests to purchase.

- (4) We continuously participated in public welfare activities in relation to sports, education, and health to promote the Bawang and Royal Wind branded products, for conveying the brand's social responsibility concepts, and further enhancing the brand's affinity among consumers, and strengthening the brand's healthy and professional image.
- (5) We developed cross-sector live broadcast platforms with themed events to carry out live streaming sales so as to increase brand exposure and consumer interaction and engagement. At the same time, we established a multi-channel consumer feedback mechanism to promptly collect and understand consumer needs and opinions for continuous optimization of products and services.
- (6) In May 2025, we participated in the Shanghai Beauty Expo, in which we carried out on-site new product launches and live broadcasts, and activities promoting traditional Chinese culture. We invited KOLs from the household and personal care and lifestyle sectors to experience our products and published post-trial reports. Apart from effectively increasing brand exposure, these reports attracted distributors, retailers, and cross-sector partners to stop by for making further inquiries, thereby further strengthening Bawang brand influence in the market and innovative image in the professional anti-hair loss segment.
- (7) For Litao and Royal Wind, we have established a multi-brand matrix and launched innovative product series such as Litao scented laundry detergent and Royal Wind sports specialty care products. For the Royal Wind brand, we implemented intensive integration between traditional retail and e-commerce platform operations, precisely targeting users' scenario-based care needs, aiming at attracting young consumer groups, and driving brand sales growth. The Litao brand continues to uphold its core positioning of "household care", persistently deepening the development of traditional sales channel and accurately addressing household consumers' needs with a multi-category cleaning and care product matrix, thereby achieving sales growth through refining and optimising our range of products to address our customers' different lifestyle needs.

For conventional channels, the Group adopted the following strategies for publicity and promotion of its branded products and increased their revenue during the period under review:

- (1) We continued our market development project known as "Thousand Townships for Ten Thousand Points-of-Sales", which has commenced since March 2024 which serves to expedite the distribution of products to the local market for enhancement of sales revenue. We have started with appointing a number of key distributors in our traditional channel across Hainan Island, which ensured that our shampoo products will swiftly be delivered to all point-of-sales in their respective township networks. Additionally, a number of publicity and promotional events

were carried out to enhance the awareness of and confidence in our brand. Such marketing initiatives demonstrated our determinations to extensively develop the market and to enhance our brand influence. Through these year-long market development efforts, the project has extensively and thoroughly covered the southern China region, and we have already promoted this project on a nationwide basis.

- (2) In March 2025, we organized a national marketing conference in Sanya, Hainan, bringing together our nationwide sales teams and pioneer promotion teams to review 2024's work, assign the tasks, and specify the performance targets for 2025. At the conference, recognition and awards were given to our sales teams with outstanding performance in 2024, greatly boosting staff morale.
- (3) In May 2025, we participated in the Shanghai Beauty Expo. Our sales team met with many new and existing customers, channel partners, purchasers, and media from across the country. A new multi-functionality nourishing product series was launched then and favorably commended by numerous clients.
- (4) In the first half of 2025, we launched new products including the Bawang toothpaste series, Litao fragrance body wash series, and multi-effect nourishing series, which are being vigorously promoted in both traditional and exclusive channels.
- (5) Starting from May 2025, we have been establishing high-quality physical stores nationwide, establishing premium visual displays at thousands of locations to attract consumer attention, increasing brand exposure in stores, and boosting retail sales.
- (6) We have successfully increased the frequency of weekend promotions and counter shows at premium sales points. We made use of creative performances and interaction with consumers to effectively arouse their interest in purchasing our products.

For the online sales channel, the Group adopted the following strategies for publicity and promotion of its branded products and increased the revenue during the period under review:

- (1) We collaborated with top influencers on the Douyin platform who promoted our products through their recommendations, thereby driving brand awareness. As a result, live streaming sales on the platform achieved significant period-on-period growth along with enhanced brand recognition.
- (2) We increased our investment in the marketing of the promotion of anti-hair loss and nourishing shampoos, as well as new herbal shampoo products, at the official Tmall flagship store. At the same time, we achieved same-store sales growth in

other channels such as JD.com, Tmall Supermarket and Pindoudou by leveraging new media short videos, product recommendation advertisements and promotions on Weibo, along with improved operational efficiency.

- (3) We invited influential reviewers with positive image to promote our herbal hair care products and enhance online sales such as anti-hair fall essence, anti-dandruff care, and hair mast. Additionally, live streaming sales are performed by Dong Yuhui, in which he features culture and knowledge, and this marketing initiative discreetly drives sales with a warm and engaging approach and at the same time encourages distributors to actively safeguard brand rights, thereby forming a healthy sales ecosystem and market order.

During the period under review, we continued to participate in community welfare events to enhance our public image as a responsible corporation. In mid-June 2025, we participated in the “Welcome the 15th Games • Joy Run on Biological Island” in the Guangzhou Chamber of Commerce’s 15th National Games Inauguration Ceremony. At the venue, we set up a brand display and interaction area, and also presented our gift packs with new Royal Wind sports care products to the marathon participants, inclusive of shampoo, body wash, and body lotion. We believe that social activities of this nature help to publicise our corporate mission and to enhance our corporate image, whilst at the same time providing opportunities for us to implant some advertisements for promoting our Bawang branded products and enhance the Bawang brand image.

As at 30 June 2025, the Bawang brand distribution network comprised 827 distributors and two KA retailers, covering 27 provinces and four municipalities in mainland China. Furthermore, the products of the Group were also sold in Hong Kong, Singapore, Thailand, Malaysia, USA, Canada and Mongolia.

During the period under review, the Group marketed our branded shampoo products, “Royal Wind”, with the theme “Let’s chase for the wind rather than wait for the wind”. As at 30 June 2025, the Royal Wind brand distribution network comprised 827 distributors, covering 27 provinces and four municipalities in mainland China. Furthermore, “Royal Wind” products were also sold in Hong Kong, Singapore, Thailand and Malaysia.

Our Litao products mainly comprised shower gels and laundry detergents, targeting consumers living in the second-tier or third-tier cities in China. The Group’s goal is to widen the market coverage to cover the whole of China. As at 30 June 2025, the Litao products distribution network comprised 784 distributors, covering 27 provinces and four municipalities in China.

As at 30 June 2025, the Group has established online flagship stores for our Bawang and Royal Wind branded products on 10 online retailing platforms in China. We will deepen our efforts in the development of this channel.

During the period under review, we have obtained, renewed, and/or are in possession of the following certificates and/or accreditations:

- the permit for production of cosmetic products, which was issued by Guangdong Provincial Food and Drug Administration, is valid until May 2027;
- our Chinese herbal hair care series shampoo, Chinese antidandruff series shampoo and Chinese herbal skin care series body wash series products have been recognized as “The 2022 Elite High-Tech Products in Guangdong Province (2022年度廣東省名優高新技術產品)” by the Guangdong Hi-tech Enterprise Association (廣東省高新技術企業協會) in January 2023 and valid for a period of three years until January 2026;
- our production process for haircare and skincare products has been certified by SGS with a validity period until July 2028 as to meet the requirements of US FDA CFSAN by reference to Cosmetic Good Manufacturing Practices (GMP) Guidelines 2008;
- our production process for haircare and skincare products has been certified by SGS with a validity period until July 2028 as to meet the requirements of ISO22716:2007 by reference to Cosmetic Good Manufacturing Practices (GMP) Guidelines;
- our development and production process for cosmetic products has been certified by SGS with a validity period until April 2028 as to meet the requirements of ISO9001:2015;
- our development and production process for hair care and skin cares as well as tooth paste units has been certified by SGS with a validity period until March 2028 as to meet the requirements of the following standards: ISO 14001:2015 and ISO 45001:2018;
- our Chinese herbal hair care and shampoo product series for anti-hair fall shampoo and hair care, anti-dandruff shampoo, and ginger nourishing shampoo and conditioner have been adjudged as “The 2024 Elite High-Tech Products in Guangdong Province (2024年度廣東省名優高新技術產品)” by the Guangdong Hi-tech Enterprise Association (廣東省高新技術企業協會) in January 2025 and valid for a period of three years until January 2028;
- Bawang (Guangzhou) Co., Ltd was recognized by the Department of Science and Technology of Guangdong Province (廣東省科學技術廳), Guangdong Provincial Ministry of Finance (廣東省財政廳) and Guangdong Provincial Tax Service of the State Taxation Administration (國家稅務總局廣東省稅務局) as a “New Hi-Tech Enterprise (高新技術企業)” on 28 November 2024 with a validity period up to November 2027;

- Bawang (Guangzhou) Co., Ltd was recognized by the Department of Industry and Information Technology of Guangdong Province (廣東省工業和信息化廳) as a “Specialized Unique Innovative Small and Medium Enterprise (專精特新中小企業)” on 6 January 2024 with a validity period up to January 2027; and
- we were awarded a Torch Taxpayer Trophy for financial year 2024 by Guangzhou Municipal Tax Service of the State Taxation Administration in May 2025.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2025, the Group's revenue from operations amounted to approximately RMB120.1 million, representing an increase of approximately 9.3% from approximately RMB109.8 million for the same period last year. Revenue through the online sales channel was approximately RMB67.6 million, representing an increase of approximately 21.5% from approximately RMB55.6 million for the same period last year.

During the six months ended 30 June 2025, the Group's core brand, Bawang, generated a revenue of approximately RMB110.7 million, which accounted for approximately 92.2% of the Group's total revenue, and represented an increase of approximately 6.1% as compared with the same period last year.

During the six months ended 30 June 2025, the Group's branded Chinese herbal anti-dandruff haircare series, Royal Wind, generated a revenue of approximately RMB1.0 million, which accounted for approximately 0.8% of the Group's total revenue, and represented a decrease of approximately 20.6% as compared with the same period last year.

During the six months ended 30 June 2025, the Group's natural-based branded shampoo, shower gel and laundry detergent products series, Litao, generated a revenue of approximately RMB7.7 million, which accounted for approximately 6.4% of the Group's total revenue, and represented an increase of approximately 136.9% as compared with the same period last year.

We sold our products through extensive distribution and retail networks, via conventional and/or online sales channels. During the six months ended 30 June 2025, a summary of our sales revenue in percentage through different networks and/or channels is as follows:

Network/Channel	Conventional (%)	Online (%)	Total (%)
Distributor	43.3%	21.9%	65.2%
Retailer	<u>0.4%</u>	<u>34.4%</u>	<u>34.8%</u>
Total	<u><u>43.7%</u></u>	<u><u>56.3%</u></u>	<u><u>100%</u></u>

During the six months ended 30 June 2025, our products were also sold in Hong Kong, Singapore, Thailand, Malaysia, the USA, Canada and Mongolia. The sales to Hong Kong and these overseas markets accounted for approximately 1.0% of our total revenue during the six months ended 30 June 2025.

Cost of Sales

During the six months ended 30 June 2025, cost of sales amounted to approximately RMB67.3 million, representing an increase of approximately RMB8.9 million (or approximately 15.2%) from approximately RMB58.4 million during the same period last year. The increase was mainly due to the increases in the consumption of raw materials and packaging materials which were in line with the increase in sales volume, but was partially offset by the decreases of our aggregate manufacturing costs. As a percentage of revenue, cost of sales for the six months ended 30 June 2025 increased from approximately 53.2% in 2024 to approximately 56.0% for the period under review.

Gross Profit

During the six months ended 30 June 2025, the Group's gross profit amounted to approximately RMB52.8 million, representing an increase of approximately 2.7% from approximately RMB51.4 million for the same period last year. The gross profit margin for the six months ended 30 June 2025 decreased from approximately 46.8% in the first half of 2024 to approximately 44.0%. Such decrease was mainly attributable to a notable increase in the cost of a key raw material leading to an increase in the average unit cost of production.

Selling and Distribution Costs

During the six months ended 30 June 2025, selling and distribution costs amounted to approximately RMB41.2 million, representing an increase of approximately 10.3% from approximately RMB37.4 million for the same period last year. As a percentage of revenue, our selling and distribution costs for the six months ended 30 June 2025 slightly increased from approximately 34.0% in 2024 to approximately 34.3% in 2025. The increase was primary due to an increased in promotion fee and goods delivery expenses, but was partially offset by the decrease in outsourced labour costs.

Administrative Expenses

During the six months ended 30 June 2025, administrative expenses amounted to approximately RMB14.7 million, representing an increase of approximately 12.6% from approximately RMB13.0 million for the same period last year. The increase was primarily due to the increase in vehicle expenses, salaries and bonus, but was partially offset by the decrease in director remuneration.

Impairment Losses of Trade Receivables

For the period under review, the Group recognised impairment losses of approximately RMB1.6 million in respect of trade receivables following the management's assessment on credit risk of our financial assets by adopting the expected credit loss model according to IFRS 9.

Loss from Operations

The Group recorded an operating loss of approximately RMB2.3 million for the six months ended 30 June 2025, as compared with the operating profit of approximately RMB1.7 million for the same period last year. The operating loss was mainly attributable to the notable increases in the cost of sales and distribution costs, but was partially offset by the increase in gross profit.

Finance Cost

For the six months ended 30 June 2025, the finance cost represented the interest on lease liabilities in the amount of approximately RMB0.3 million as a result of the adoption of IFRS16 with effect from 1 January 2019 (six months ended 30 June 2024: RMB0.5 million).

Other Income

The Group recorded other income of approximately RMB2.3 million for the six months ended 30 June 2025, representing an increase of approximately 183.7% from approximately RMB0.8 million for the same period last year. Such increase was primarily attributable to the increase in platform subsidy income from online channel, but was partially offset by a decrease in bank interest income.

Income Tax Expense/Credit

During the six months ended 30 June 2025, the Group recorded the deferred income tax expense of approximately RMB109,000 (six months ended 30 June 2024: deferred income tax credit of approximately RMB21,000).

Net Loss for the Period

As a result of the combined effect of the abovementioned factors, the Group recorded a net loss of approximately RMB2.8 million for the six months ended 30 June 2025, as compared with the net profit of approximately RMB1.2 million for the six months ended 30 June 2024.

Loss for the Period Attributable to Owners of the Company

As a result of the combined effect of the above factors, the Group recorded a loss attributable to owners of the Company of approximately RMB2.8 million for the six months ended 30 June 2025, as compared with a profit attributable to owners of the Company of approximately RMB1.2 million for the six months ended 30 June 2024.

OUTLOOK

In late July 2025, the International Monetary Fund (“**IMF**”) expected the China’s economic growth at 4.8 per cent for 2025, which reflects an upward revision of 0.8 percentage point as comparing with its preceding projection released in April 2025. The revision reflects the Chinese economy’s stronger-than-expected activity in the first half of the year and the significant reductions in tariffs between China and the United States, which causes China to receive the largest upgrade in the latest IMF’s economic forecast among the major economies.

According to statistics released by China’s National Bureau of Statistics (“**NBS**”) in mid-July 2025, China’s economy slowed down to 5.2 per cent growth in the second quarter of 2025 compared with a year earlier at 5.4 per cent. The gross domestic product (“**GDP**”) recorded a 5.3 per cent year-on-year growth in the first half of 2025.

The NBS is of the view that China has been able to defy the mounting global headwind and provide a solid footing for achieving the full-year growth target of around 5.0 per cent. The NBS went on to say that China’s top leadership may sharpen its focus on maintaining economic stability and restoring market confidence, with strong fiscal stimulus and further monetary easing to stimulate domestic demand and cushion against external headwinds.

On 30 July 2025, the Political Bureau of the Communist Party of China Central Committee (the “**Politburo**”) held a tone-setting meeting that made arrangements for economic work in the second half of 2025. The meeting emphasized that macro policies should continue to exert force and be strengthened at an appropriate time, calling for efforts to expand consumer demand by ensuring and improving people’s living standards, carrying out high-quality urban renewal, and consolidating the capital market’s trend of stabilization and improvement.

One of the bank economists indicated that the policymakers at the Politburo meeting set a clear pro-growth tone. While the Politburo acknowledged the existing challenges, the country still strives to achieve the annual economic and social development targets, which is around 5 per cent GDP growth target in 2025, and pledged timely policy reinforcement.

Back in early July 2025, a poll carried out by Reuters with global investment banks and economists revealed that China is expected to achieve an economic growth of 4.6 per cent in 2025, falling short of China's annual target of 5.0 per cent, which is mainly due to trade tensions with the United States adding to deflationary pressures, slowing exports, weak consumer demand and a persistent property downturn.

Additional views about the economic outlook for the second half of 2025, as expressed by investment banks and economic analysts in the market, are as follows:

1. The upward momentum seen in consumption in the first half will likely carry into the second half, noting that new rounds of consumption-boosting stimulus measures, including subsidies, are already being rolled out.
2. Authorities are accelerating the rollout of policies for the second half of the year. China's available standby policies remain ample and it is strengthening policy reserves, with new measures to be introduced as needed in response to market changes.
3. Given China's robust first-half performance, the second-half policy efforts are likely to focus on innovating policy tools. Efforts will likely target key areas in the economy, including supporting property destocking, further developing the service sector and boosting consumption.
4. Despite a strong first half in 2025, the outlook is set to sour in the second half as export frontloading fades and the impact of U.S. tariffs becomes more visible.
5. Renewed weakness in house prices and the fading impact of subsidies also cast doubt over the sustainability of the consumption recovery.
6. The real estate market is still in a process of bottoming, which needs strong support to stabilize the sector.

Owing to the geopolitical conflicts, trade wars, and tariffs, the negative impacts that may be caused to the global economy tend to be complicated and unpredictable. Domestically, the country needs to address the issues of weak demand and domestic consumption, slow income growth, ongoing property sector troubles, and the high local government debt around the country. Despite the Politburo has set down policies to achieve a 5-percent GDP growth target, the Directors tend to be very cautious in forming the ongoing business strategies of the Group.

The Group will continue with its corporate theme "Dashing All the Way for Win-Win Cooperation".

For Bawang-branded products, the Group intends to adopt the following strategies for publicity and promotion of its branded products and enhancement of revenue:

- (1) Strengthen the patent advantages: We will implement a forward-looking patent registration strategy, whereby we utilize multiple patented technologies to focus on core anti-hair loss efficacy in new product development and brand promotion. Leveraging technological advantages and product features, we aim to expand the coverage of our target customer segment, to promote user conversion, and to increase brand repurchasing rate of our branded products and market share.
- (2) Upgrade product packaging creative design: We will continue to roll out innovative product packaging by optimizing existing designs and at the same time launching new packaging with creative solutions. By integrating diverse design styles as preferred by young consumers and adopting differentiated design strategies, we will precisely reach out to target users, stimulate their intents to purchase, and ultimately achieve sales conversion.
- (3) Developing active cross-sector collaborations: We will continue to identify cross-sector partners that match with our brand philosophy (including other brands, IPs, and trending events), to promote co-branded collaborations for jointly developing limited-edition products, and to plan interactive themed marketing activities both online and offline. Leveraging partners' resources and influence, we will broaden the scope of brand communication so as to cultivate potential user groups.
- (4) Co-operating with key opinion leaders (KOLs) for brand promotion: We will establish cooperative relationships with top KOLs and leverage on their precise audience groups and message dissemination power. Through brand recommendation made by live-streaming ambassadors, we aim to enhance brand popularity and to achieve efficient purchase conversion rate.
- (5) Organizing diverse offline activities: We plan to regularly or irregularly hold various offline activities such as new product launch experience meetings, hair care expert salons, and in-store promotional shows, forming a closed loop of "experience-awareness-conversion", which enable consumers to have instant experience in our new products. The talks conducted by experts will provide professional endorsement and user education whilst the in-store counter-shows will enhance sales in conventional channels.
- (6) Exploring overseas markets: The Southeast Asian consumers show significant preference for natural ingredient products, which highly aligns with the product positioning of Bawang's "herbal anti-hair fall". To effectively develop the local markets, we plan to first conduct regional market research for understanding the optimized product herbal formulas and package design accordingly. Subsequently, we intend to build an "online + offline" communication matrix: online marketing

via TikTok, Facebook, and collaboration with local KOLs for product seeding; offline pop-up experience events in traditional open markets with cultural settings. Simultaneously, we will integrate Southeast Asian herbal hair care concepts for strengthening the core selling point of “herbal anti-hair fall,” and promoting dual growth in brand awareness and sales conversion.

For Royal Wind branded product series, the Group will sell these branded products, which are mainly hair-care product series, through both conventional and online sales channels so as to attract more young consumers and to enhance sales revenue of this brand.

For Litao branded product series, the Group will continue with its household care brand positioning, and will continue to sell laundry detergent and other HPC products through our conventional channel.

For conventional channels, the Group will continue to deepen cooperation and interaction with distributors through the following initiatives:

- (1) With the expansion of the market development project “Thousand Townships for Tens Thousand Points-of-Sales”, we will accelerate the distribution of new products nationwide such as the Bawang nourishing series, oral care series, fragrance laundry detergent series, and perfume shower gel series.
- (2) We will utilize new store openings and carry out promotional activities in shopping malls for increasing sales. During key sales periods and holidays, we will increase the frequency of weekend promotions and counter-show events at premium sales points. We will make use of creative performances to attract customers’ attention, thereby causing a positive impact on our brand influence.
- (3) We will strengthen the sales support services offered to key distributors, key channels and key points-of-sales for enhancing the revenue generated from distribution channels, and we will continue to enhance the product displays of the key points-of-sales so as to stabilize sales revenue.
- (4) After the Yonghui system has re-positioned itself from distributor to retailer nationwide, we will provide the additional new products to the newly-modified stores to boost sales.
- (5) We will make products specifically for the Walmart channel and enhance the in-store display of our products in Walmart so as to increase sales.
- (6) We will visit overseas distributors to jointly explore business opportunities, to deepen cooperations, to review overseas product structures and packaging, and to strengthen the supports for overseas distributors.

- (7) We will make use of customers' consumption information from customs data software in various countries and participate in offline international exhibitions to develop overseas untapped markets, with an aim to increase overseas sales.
- (8) We review and optimize the product structures across all channels, and update product packaging to satisfy market demands.

As for the online sales channel, the Group hopes to achieve stable growth through implementation of the following plans:

- (1) In terms of products, we will increase innovation and investment in new anti-hair fall hair care products, consolidate and improve the quality and sales volume and brand presence of shampoo and scalp care product categories. We will continue to expand product development and testing in other categories (such as hair care, body wash, etc.), to create sales growth. We will also streamline the product planning and collaboration across channels and customers so as to enhance the scale and efficiency.
- (2) In terms of arena, we will increase investment in KOL endorsements for our products, the key opinion customers' ("KOC") recommendations and enhancement of content creativity so as to boost brand presence and sales volume. As to sales arena, we will deepen the operation of existing retail channels, optimize promotion efficiency, and improve the return on investment so as to increase the scale of sales to customer-end. At the same time, we will leverage platforms (such as 1688) to expand business-end online wholesale and group buying business for both large and small clients to enhance sales volume.
- (3) In terms of target groups, we will manage to gain deeper insights into consumer segments, to provide innovative products and solutions which are specific to the groups and usage scenarios (e.g., late-night users), to be precise in operations, and to optimize membership management and services. We will continue to maintain the relationships with existing distributors, to upgrade the quality of service and policy support to customers. At the same time, we will continue to develop high-quality new clients for jointly exploring new channels and markets.

For production management and quality of products, we consistently adhere to an innovation-driven development philosophy with quality of products as priority. We will increase our investment in research and development with a view to guaranteeing the quality of products. We will cooperate with professional research team for intensive collaboration with universities and research institutions. At the same time, we will continue to automate and digitalize our production management for maintaining our competitive advantage and promoting Bawang brand image and market leadership.

During the period under review, we accelerated the advancement of automated and intelligent production line to improve production processes, to optimize internal processes, management systems, and production efficiency, and to reduce operating costs and to improve corporate operating efficiency and competitiveness. We will arrange overhauling of production workshops to enhance the factory image. We will strictly comply with the latest cosmetic regulatory requirements. We will thoroughly review and optimize the production processes and management systems so as to ensure that every production process complies with high safety and quality standards, thereby making our products more reliable and safer. At the same time, we actively implement green production concepts by providing training and publicity to raise workers' environmental awareness, adopting more eco-friendly processes and materials in production to reduce environmental impact.

We continue to execute a thorough performance-based appraisal system with the “people-oriented” production management concept. Multiple safety production education and training sessions have been held to enhance workers' safety awareness and emergency response abilities, thereby achieving a record of “zero-rate” industrial accident during the period under review. The company aligns its reward and compensation policies with employee performance, while offering various benefits such as health check-ups, school enrollment quotas for employees' children, and holiday perks, which greatly motivate employees' attitude towards work and enhance their sense of belonging. The stable payments of salaries and compensations also help us maintain a stable workforce.

We will adopt a more flexible and advanced supply chain approach to reasonably utilize the production facilities and factory space, and to optimise the production processes. From early 2024, our roof-top solar power panels have commenced operations and their stable performance during the period under review which helped to reduce traditional electricity consumption, thereby saving production costs and reducing carbon emissions. We also exercised stringent controls over the production flow and process and at the same time ensuring the quality of products. We will minimize the materials spoilage and implement energy-saving initiatives so as to achieve the various environmental emission targets that have been pre-set by the Company.

For our original equipment manufacturers (“OEM”) business, we will continue to make use of our competitive advantages in professional design, and research and development for expanding our OEM business with a view to strengthening our co-operations with quality customers so as to increase our market share and influence in this business sector.

Going forward, we will continue to deepen various enhancement and innovative initiatives to maximise production effectiveness and at the same time to reduce costs and enhance the efficiency, which enable the Company to stand out from the

intensified market competition and to sustain high quality development for achieving the Company's predetermined emission targets as stated in the Company's ESG report, thereby creating more returns for our shareholders.

As part of the business expansion plan, the Group will continue to explore the possibility with potential distributors for cooperation, and will actively promote and develop the social e-commerce platform business so as to increase sales. The Group is open to explore further business opportunities with potential overseas distributors for launching our branded products to other countries.

As at the date of this announcement, the Group did not have any outstanding acquisition opportunity nor was actively exploring business opportunities that may involve potential acquisition.

Looking forward, the strategic directions to sustain and develop our business in the present volatile economic environments and in the midst of geopolitical conflicts will focus on two areas: in the short term, the Group intends to increase its revenue by exploring new sales channels in HPC products in order to regain momentum for sales growth and profitability, and to improve investors' confidence in the Group; and in the long term, the Group will continue to focus on strengthening its business model and market positioning to increase its market share among domestic and international competitors, maintaining a multi-brand and multi-product strategy in the HPC sector, and becoming a leader in branded Chinese herbal HPC products worldwide.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group adopts conservative financial management policies and maintains a good and solid financial position. As at 30 June 2025, the bank balances and cash, and the time deposits of the Group were approximately RMB94.9 million (as at 31 December 2024: approximately RMB120.3 million). A summary of liquidity and financial resources as at the dates indicated is set out below:

	30 June 2025	31 December 2024
	<i>RMB in million</i>	<i>RMB in million</i>
	(Unaudited)	(Audited)
Bank balances and cash	49.9	120.3
Time deposits	45.0	0
Total loans	0	0
Total assets	207.2	235.4
The gearing ratio ¹	0%	0%

Note:

1. Calculated as total loans divided by total assets

MATERIAL ACQUISITION AND DISPOSAL

The Group did not engage in any material acquisition or disposal of any of its subsidiaries or associated companies during the period under review.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGING

The operations of the Group are mainly carried out in China, with most transactions settled in Renminbi. The reporting currency of the Group is Renminbi. During the period under review, the Group has exported its goods to Hong Kong and certain overseas countries. The transactions were settled in either Hong Kong Dollars or United States Dollars. The Group's cash and bank deposits are mostly denominated in Renminbi. The Company will pay dividends in Hong Kong Dollars if dividends are declared.

The Board is of the view that the Group conducts its business transactions principally in Renminbi and thus the exchange rate risk associated with the Group's daily operations is not significant.

For the period ended 30 June 2025, the Group had not issued any material financial instruments or entered into any material contracts for foreign currency hedging purposes. However, the Board will continue to monitor the foreign exchange exposure of the Group and is prepared to take prudent measures such as hedging when required.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities.

CAPITAL COMMITMENTS

As at 30 June 2025, the Group capital commitment for acquisition of property, plant and equipment was approximately RMB0.1 million.

CHARGE OF ASSETS

As at 30 June 2025, the Group did not have any pledge of assets.

TRADE AND OTHER PAYABLES

As at 30 June 2025, the trade and other payables of the Group were approximately RMB47.9 million (As at 31 December 2024 approximately RMB65.8 million), which represented a decrease of 27.2%. As at 30 June 2025, trade and other payables did not include any balances due to related parties.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period under review.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2025, a subsidiary of the Group entered into a supplemental lease agreement with the landlord of Bawang Industrial Complex on 1 August 2025, agreeing upon a rent free period from 1 August 2025 up to 30 September 2025, and reducing the monthly rental from RMB943,699 to RMB715,876. Further details of the supplemental lease agreement are contained in the Company's announcement dated 1 August 2025. Except as aforesaid, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2025 and up to the date of this announcement.

THE CORPORATE GOVERNANCE CODE

The Company is committed to enhancing the corporate governance of the Group, and the Board reviews and updates all such necessary measures in order to promote good corporate governance.

The Board is of the view that the Company has complied with the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) during the six months ended 30 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the period under review.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee has adopted terms of reference which are in line with the CG Code. The Audit and Risk Management Committee has reviewed the interim results of the Group for the six months ended 30 June 2025 with the management of the Company and recommended its adoption by the Board.

DIVIDENDS

Following review of the operating results of the Group, the Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.bawang.com.cn), IRAsia (www.irasia.com/listco/hk/bawang/) and The Stock Exchange of Hong Kong Limited (www.hkex.com.hk). The interim report for the six months ended 30 June 2025 containing all the information required under Appendix D2 to the Listing Rules will be despatched to the shareholders and be available on the above websites in due course.

APPRECIATION

The Board would like to take this opportunity to express its gratitude to all shareholders, customers, suppliers, banks, professional parties and employees of the Company for their continuous patronage and support.

By Order of the Board
BaWang International (Group) Holding Limited
Chen Qiyuan
Chairman

Hong Kong, 29 August 2025

As at the date of this announcement, the board of directors of the Company comprises three executive directors, namely, Mr. CHEN Qiyuan, Mr. CHEN Zheng He and Mr. WONG Sin Yung, and three independent non-executive directors, namely, Mr. CHEUNG Kin Wing, Dr. LIU Jing and Mr. CHU Tat Hoi.