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 2026

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 2026 together with comparative figures for the same period last year.

The Board refers to the positive profit alert announcement of the Company dated 18 August 2026. The following sets forth a summary of the unaudited consolidated results of the Group for the six months ended 30 June 2026:

Total revenue of the Group was approximately RMB117.7 million, representing a decrease of approximately 1.9% from approximately RMB120.1 million for the same period last year.

Operating profit of the Group was approximately RMB1.5 million, as compared with the operating loss of approximately RMB2.3 million for the same period last year.

Net profit was approximately RMB1.1 million, as compared with the net loss of approximately RMB2.8 million for the same period last year.

Profit attributable to owners of the Company was approximately RMB1.1 million, as compared with the loss of approximately RMB2.8 million for the same period last year.

Earnings per share (both basic and diluted) was approximately RMB0.03 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 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**117,726**	120,066
Cost of sales		**(57,605)**	(67,293)
Gross profit		**60,121**	52,773
Other income		**2,847**	2,343
Selling and distribution costs		**(47,108)**	(41,208)
Administrative expenses		**(13,996)**	(14,685)
Impairment losses in respect of trade receivables		**(318)**	(1,558)
Other expenses		**(16)**	(14)
Operating profit/(loss)		**1,530**	(2,349)
Finance cost	*5*	**(288)**	(312)
Profit/(loss) before taxation	*6*	**1,242**	(2,661)
Taxation	*7*	**(169)**	(109)
Profit/(loss) for the period attributable to owners of the Company		**1,073**	(2,770)
Earnings/(loss) per share	*9*		
Basic (RMB cents)		**0.03**	(0.09)
Diluted (RMB cents)		**0.03**	(0.09)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to owners of the Company	**1,073**	(2,770)
Other comprehensive income for the period		
Item that will not be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of financial statements from functional currency to presentation currency	**195**	632
Total comprehensive income/(expense) for the period attributable to owners of the Company	**1,268**	(2,138)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**50,273**	55,057
Right-of-use assets		**32,759**	3,175
Deferred tax assets		**18**	187
Deposit paid for acquisition of property, plant and equipment		**—**	43
		83,050	58,462
Current assets			
Inventories		**31,483**	30,140
Right to returned goods asset		**393**	245
Trade and other receivables	*10*	**18,507**	21,328
Amount due from a related party		**—**	710
Time deposits		**45,000**	45,000
Bank balances and cash		**66,018**	70,553
		161,401	167,976
Current liabilities			
Trade and other payables	*11*	**56,103**	66,318
Contract liabilities		**4,002**	5,772
Refund liabilities		**698**	428
Lease liabilities		**6,121**	4,171
		66,924	76,689
Net current assets		**94,477**	91,287
Total assets less current liabilities		**177,527**	149,749
Non-current liability			
Lease liabilities		**26,759**	249
Net assets		**150,768**	149,500
Capital and reserves			
Share capital	*12*	**277,932**	277,932
Reserves		**(127,164)**	(128,432)
Total equity		**150,768**	149,500

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 2026 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 2025, 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 2025 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 2026:

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

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 new and 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	
	2026	2025
	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	**97,956**	105,955
Skin-care products	**68**	—*
Other household and personal care products	**19,702**	14,111
	117,726	120,066

Disaggregation of revenue from contracts with customers by timing of recognition

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
At a point in time	**117,726**	120,066

* 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 analyses of segment assets or segment liabilities are 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 2026

	Hair-care products *RMB'000* **(Unaudited)**	**Skin-care products** *RMB'000* **(Unaudited)**	**Other household and personal care products** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Sales to external customers	**97,956**	**68**	**19,702**	**117,726**
Segment profit/(loss)	**1,810**	**4**	**(1,599)**	**215**
Bank interest income				**433**
Other income				**2,414**
Corporate and other unallocated expenses				**(1,820)**
Profit before taxation				**1,242**

For the six months ended 30 June 2025

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

* 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, government grants, utilities income, other miscellaneous income, 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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on lease liabilities	**288**	312

6. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**(433)**	(469)
Allowance on inventories (included in cost of inventories recognised as an expense)	**260**	456
Depreciation of property, plant and equipment	**4,973**	6,924
Depreciation of right-of-use assets	**2,773**	4,364
Obsolete inventories written-off (included in cost of inventories recognised as an expense)	**301**	288
Loss on disposal of property, plant and equipment	**1**	14

7. TAXATION

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Deferred tax expense	**(169)**	(109)

(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 2026 and 2025.

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 2026 and 2025, Bawang Guangzhou has no tax payable on the profit arising in the 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 2026 and 2025 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 2026 and 2025.

8. DIVIDENDS

No dividend was paid or proposed for the six months ended 30 June 2026 (six months ended 30 June 2025: nil), nor has any dividend been proposed since 30 June 2026.

9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the profit for the period of approximately RMB1,073,000 (six months ended 30 June 2025: loss for the period of approximately RMB2,770,000) and the weighted average number of approximately 3,162,441,000 (six months ended 30 June 2025: approximately 3,162,441,000) ordinary shares in issue during the period.

Diluted earnings/(loss) per share was the same as the basic earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2026 and 2025 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 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Less than 3 months	**13,757**	16,589
Total debtors, net of allowance for impairment of trade receivables	**13,757**	16,589
Prepayment for purchase of raw materials	**619**	1,341
Other prepayments	**2,939**	2,429
Bank interest receivables	**160**	480
Tax receivables other than income tax	**158**	76
Other receivables	**874**	413
	18,507	21,328

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 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 1 month or on demand	**8,539**	8,105
After 1 month but within 3 months	**7,918**	12,727
Total creditors	**16,457**	20,832
Promotion fee payables	**9,273**	10,554
Accrued payroll	**1,903**	4,530
Tax payables other than income tax	**7,343**	7,132
Other payables and accruals	**21,127**	23,270
	56,103	66,318

12. SHARE CAPITAL AND RESERVES

	Number of shares *'000*	**Amount** *RMB'000*
Ordinary shares of HK$0.1 each		
Authorised:		
At 1 January 2025 (audited), 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	10,000,000	880,500
Issued and fully paid:		
At 1 January 2025 (audited), 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	3,162,441	277,932

13. OTHER COMMITMENT

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

	30 June 2026 ***RMB'000*** **(Unaudited)**	31 December 2025 *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	**—**	61

BUSINESS REVIEW

The Directors report that the total revenue of the Group for the six months ended 30 June 2026 was approximately RMB117.7 million, representing a decrease of approximately 1.9% from approximately RMB120.1 million for the same period last year. The operating profit of the Group for the six months ended 30 June 2026 was approximately RMB1.5 million, as compared with the operating loss of approximately RMB2.3 million for the same period last year.

For the six months ended 30 June 2026, the net profit of the Group was approximately RMB1.1 million, as compared with the net loss of approximately RMB2.8 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 have deeply cultivated the anti-hair loss and hair care sector, relying on professional R&D capabilities and strict quality control to continuously output high-quality domestic products. We are comprehensively promoting the Bawang brand product series, continuously deepening the professional brand image of "Daunted by hair-fall, Use Bawang Shampoo" and winning consumer reputation and trust through solid product offerings.

(2) We comprehensively upgraded the brand and product visual designs, reconstructing visual expression with youthful elements. We integrated minimalist aesthetics with Guochao (modern oriental) elements and systematically enhanced our brand visual identity through the optimization of brand color palettes, logo presentation and product packaging design. These initiatives enabled us to better engage target consumer segments and contributed to steady improvements in sales conversion.

(3) We established a content distribution matrix covering mainstream platforms such as Douyin and Xiaohongshu. By leveraging scenario-based product seeding, organic word-of-mouth promotion, cross-sector co-operations, and holiday promotional campaigns, we consistently enhanced brand awareness and contributed to sustained sales growth of our branded products.

(4) We conducted diversified marketing campaigns by integrating offline interactive experiences, online sharing and other formats, effectively enhancing brand affinity and market exposure. We also launched themed promotional campaigns aligned with key holiday consumption peaks, and through combining these campaigns with scenario-based educational initiatives on hair loss prevention and hair care, we continuously communicate our professional hair care expertise to consumers. These initiatives strengthened our professional brand positioning in the anti-hair loss sector and enhanced consumer purchase preference.

(5) During the period under review, we participated as an exhibitor in major domestic and international beauty industry exhibitions, including the China (Shanghai) International Beauty Expo and the ASEAN Beauty Expo. During these events, we showcased our new products through runway presentations featuring models inspired by contemporary Chinese cultural aesthetics, attracting visitors and business partners and further enhancing brand visibility and industry recognition.

For the conventional channels, during the period under review, the Group adopted the following strategies for publicity and promotion of its branded products, with a view to increasing sales revenue:

(1) We organized our sales team to participate in major domestic and international industry exhibitions. Through new product launches and interactive product experiences, we established connections with key procurement partners from major retail systems across China and overseas business partners, further enhancing industry recognition of our brand and strengthening partner confidence.

(2) We fully resumed recruitment efforts for cosmetics beauty stores and actively developed high-quality regional distributors. Meanwhile, we initiated preparations for onboarding well-known nationwide retail chain systems, with plans to achieve comprehensive store coverage for our brands. Leveraging on standardized premium retail platforms, we enhanced brand visibility to enhance consumer engagement, while further improving our offline channel product tier segmentation and coverage matrix.

(3) In response to evolving channel positioning and consumer segmentation, we implemented a differentiated product strategy. We established a tiered product portfolio to comprehensively serve diverse consumer segments, enhance channel affinity to target customer groups and strengthen our core competitiveness.

(4) We continued to strengthen market pricing management and implemented a regular inspection mechanism to maintain a stable pricing system. We completed standardized premium displays across thousands of stores nationwide and enhanced sell-through performance through increased weekend promotional activities and more frequent creative consumer engagement initiatives.

As at 30 June 2026, the Bawang brand distribution network comprised 977 distributors and 2 KA retailers, covering 27 provinces and 4 municipalities in mainland China. Furthermore, the products of the Group were also sold in Hong Kong, Singapore, Thailand, Malaysia, Russia and Mongolia.

During the period under review, the Group marketed our branded shampoo products, "Royal Wind", with the theme "Get moving and feel the wind". As at 30 June 2026, the Royal Wind brand distribution network comprised 913 distributors, covering 27 provinces and 4 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 2026, the Litao products distribution network comprised 913 distributors, covering 27 provinces and 4 municipalities in China.

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

(1) Benefiting from a marketing approach integrating both live streaming and short videos channels, and also benefitting from the strong performance of flagship anti-hair loss products, our livestreaming channel sales achieved significant growth. We also increased resource investment in anti-hair loss and herbal product offerings across various integrated e-commerce platforms such as JD.com, Tmall Supermarket and Pinduoduo, while continuously enhancing operational efficiency to maintain a stable sales foundation.

(2) We optimized our product matrix and steadfastly implemented the strategy of focusing on best-selling products and product lines. Notably, our flagship product in the scalp care category, "anti-hair fall essence", achieved substantial growth in sales. Meanwhile, in response to the growing demand for anti-hair loss solutions among female consumers, we further strengthened the promotion of our "Lady's Anti-Hair Loss Shampoo", which achieved rapid growth.

(3) In terms of targeted consumer groups, we leveraged our popular anti-hair loss products alongside with core items to effectively consolidate and expand the target demographic with essential anti-hair loss needs. Concurrently, supported by our new Chinese herbal product line and star products, we successfully penetrated the consumer group with daily hair care and maintenance needs, significantly broadening our consumer base and expanding consumption scope.

As at 30 June 2026, the Group has established online flagship stores for our Bawang and Royal Wind branded products on 11 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 have been recognized as "The 2025 Elite High-Tech Products in Guangdong Province (2025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 December 2025 and valid for a period of three years until December 2028;

— 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 November 2024 with a validity period up to November 2027; and

— 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.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2026, the Group's revenue from operations amounted to approximately RMB117.7 million, representing a decrease of approximately 1.9% from approximately RMB120.1 million for the same period last year. Revenue through the online sales channel was approximately RMB66.4 million, representing a decrease of approximately 1.8% from approximately RMB67.6 million for the same period last year.

During the six months ended 30 June 2026, the Group's core brand, Bawang, generated a revenue of approximately RMB110.9 million, which accounted for approximately 94.2% of the Group's total revenue, and represented an increase of approximately 0.1% as compared with the same period last year.

During the six months ended 30 June 2026, the Group's branded Chinese herbal anti-dandruff haircare series, Royal Wind, generated a revenue of approximately RMB0.6 million, which accounted for approximately 0.5% of the Group's total revenue, and represented a decrease of approximately 38.9% as compared with the same period last year.

During the six months ended 30 June 2026, the Group's natural-based branded shampoo, shower gel and laundry detergent products series, Litao, generated a revenue of approximately RMB6.1 million, which accounted for approximately 5.2% of the Group's total revenue, and represented a decrease of approximately 21% 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 2026, a summary of our sales revenue in percentage through different networks and/or channels is as follows:

Network/Channel	**Conventional**	**Online**	**Total**
	(%)	*(%)*	*(%)*
Distributor	41.4	25.6	67
Retailer	2.2	30.8	33
Total	43.6	56.4	100.0

During the six months ended 30 June 2026, our products were also sold in Hong Kong, Singapore, Thailand, Malaysia, Russia and Mongolia. The sales to Hong Kong and these overseas markets accounted for approximately 0.9% of our total revenue during the six months ended 30 June 2026.

Cost of Sales

During the six months ended 30 June 2026, cost of sales amounted to approximately RMB57.6 million, representing a decrease of approximately RMB9.7 million (or approximately 14.4%) from approximately RMB67.3 million during the same period last year. The decrease was mainly attributed to stringent control over packaging material costs and manufacturing expenses. As a percentage of revenue, cost of sales for the six months ended 30 June 2026 decreased from approximately 56.0% in 2025 to approximately 48.9% for the period under review.

Gross Profit

During the six months ended 30 June 2026, the Group's gross profit amounted to approximately RMB60.1 million, representing an increase of approximately 13.9% from approximately RMB52.8 million for the same period last year. The gross profit margin for the six months ended 30 June 2026 increased from approximately 44.0% in the first half of 2025 to approximately 51.1%. Such increase was mainly attributable to reductions in packaging material costs and manufacturing expenses, including cost savings realized from utilizing electricity generated from the Group's roof-top solar panels and reduced rental payments.

Selling and Distribution Costs

During the six months ended 30 June 2026, selling and distribution costs amounted to approximately RMB47.1 million, representing an increase of approximately 14.3% from approximately RMB41.2 million for the same period last year. As a percentage of revenue, our selling and distribution costs for the six months ended 30 June 2026 increased from approximately 34.3% in 2025 to approximately 40.0% in 2026. The increase was primarily due to an increase in promotion fees and goods delivery expenses, but was partially offset by the decrease in outsourced labour costs and travelling expenses.

Administrative Expenses

During the six months ended 30 June 2026, administrative expenses amounted to approximately RMB14.0 million, representing a decrease of approximately 4.7% from approximately RMB14.7 million for the same period last year. The decrease was primarily due to lower staff salaries and directors' remuneration, partially offset by the increase in research and development expenditure and related professional consultancy fees.

Impairment Losses of Trade Receivables

For the period under review, the Group recognised impairment losses of approximately RMB0.3 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.

Profit from Operations

The Group recorded an operating profit of approximately RMB1.5 million for the six months ended 30 June 2026, as compared with the operating loss of approximately RMB2.3 million for the same period last year. The operating profit was mainly attributable to the notable decrease in the cost of sales and administrative expenses, but was partially offset by the increase in selling and distribution costs.

Finance Cost

For the six months ended 30 June 2026, 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 (six months ended 30 June 2025: RMB0.3 million).

Other Income

The Group recorded other income of approximately RMB2.8 million for the six months ended 30 June 2026, representing an increase of approximately 21.5% from approximately RMB2.3 million for the same period last year. Such increase was primarily attributable to rises in subsidies received from public utilities and government organizations.

Taxation

During the six months ended 30 June 2026, the Group recorded the deferred tax expense of approximately RMB169,000 (six months ended 30 June 2025: deferred tax expense of approximately RMB109,000).

Net Profit for the Period

As a result of the combined effect of the abovementioned factors, the Group recorded a net profit of approximately RMB1.1 million for the six months ended 30 June 2026, as compared with the net loss of approximately RMB2.8 million for the six months ended 30 June 2025.

Profit for the Period Attributable to Owners of the Company

As a result of the combined effect of the above factors, the Group recorded a profit attributable to owners of the Company of approximately RMB1.1 million for the six months ended 30 June 2026, as compared with a loss attributable to owners of the Company of approximately RMB2.8 million for the six months ended 30 June 2025.

OUTLOOK

In July 2026, the International Monetary Fund ("**IMF**") published its latest *World Economic Outlook Update*, forecasting global economic growth of 3.0% in 2026, with China's economy expected to grow by 4.6%. The global economy is expected to maintain a certain degree of resilience, although growth momentum has moderated compared with the post-pandemic peak. Factors including advancements in artificial intelligence technologies, improved corporate investment and easing inflationary pressures are expected to provide support to global economic growth. Nevertheless, geopolitical conflicts, adjustments in international trade policies and volatility in financial markets continue to bring uncertainties to the global economic outlook.

According to data released by the National Bureau of Statistics of China ("**NBS**") in July 2026, China's gross domestic product ("**GDP**") increased by 4.7% year-on-year in the first half of 2026, with the national economy remaining generally stable. Consumption and the services sector provided support to economic growth, while emerging industries, including information transmission, software and information technology services, continued to develop. Positive progress was made in economic structural transformation and upgrading.

In terms of consumption, total retail sales of consumer goods in China increased by 1.3% year-on-year in the first half of 2026. Among them, retail sales of goods increased by 1.1% year-on-year, while online retail sales of physical goods increased by 4.8% year-on-year, indicating a continued recovery in the consumer market. By product category, retail sales of daily necessities and cosmetics by enterprises above designated size both recorded growth, with certain categories growing faster than overall retail sales of goods, reflecting the resilience of consumer demand for household cleaning products, personal care products and quality consumption. With the continuous upgrade of consumption patterns, consumers are increasingly seeking products with higher quality, enhanced functionality and differentiated features. Brand building, product innovation and omnichannel operations will remain key areas of competition within the industry.

Looking ahead to the second half of 2026, the Chinese government is expected to continue promoting domestic demand expansion, consumption recovery and the cultivation of new quality productive forces, while accelerating technological innovation and industrial upgrading. The application of digital management, intelligent manufacturing and supply chain enhancement technologies is expected to further improve operational efficiency and create new development opportunities for the consumer goods industry. Meanwhile, as market competition intensifies and consumer preferences become increasingly diversified, enterprises will need to continuously enhance their product competitiveness, brand strength and channel efficiency.

However, amid a complex and evolving global economic environment, a gradual recovery in consumer demand, as well as factors including raw material costs and intensified industry competition, businesses continue to face certain challenges. Accordingly, the Directors will maintain a prudent approach in formulating the Group's future development strategies, closely monitor changes in the macroeconomic environment and consumer market, capture opportunities arising from consumption upgrades and channel transformation, and enhance product competitiveness, brand influence and operational efficiency, in order to achieve sustainable long-term growth.

The Group will continue with its corporate theme "Innovation Shapes the Future".

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) We will continuously deepen our R&D and innovation in anti-hair loss technologies. Supported by advanced production facilities, core patented technologies, and authoritative anti-hair loss special certifications, we remain committed to clearly conveying the brand's core value of "professional anti-hair loss" and the differentiated advantages of our products, aiming to further enhance our market competitiveness and appeal.

(2) To further expand our brand influence, we will actively promote cross-sector collaborations. By launching co-branded products and themed marketing campaigns, we will integrate diverse resources to achieve synergistic brand amplification. This will enable us to precisely target new consumer segments, continuously injecting vitality into the brand.

(3) We will continue our systematic and in-depth operations across mainstream social media platforms such as Douyin and Xiaohongshu. By introducing AI-driven short video creation, we aim to enrich different forms of content expression, thus drive sales growth.

(4) We will establish long-term and stable cooperative relationships with top KOLs. leveraging their influence to create opportunities for in-depth product experiences and authentic word-of-mouth promotion. By leveraging trending social topics, we will build an efficient conversion pathway from "social attention" to "sales conversion".

(5) We will conduct diversified offline marketing campaigns. By integrating cross-sector scenario-based marketing, new product experience events and hair health expert salons, we aim to build a closed-loop marketing model of "experience-awareness -conversion". By leveraging product experience events to enhance consumer perception, expert seminars to reinforce professional trust in our brands, and coordinated point-of-sale (POS) promotions, we will comprehensively strengthen brand engagement and market penetration.

We will continue to focus on the "professional hair care" positioning of the Royal Wind brand, driving an omni-channel presence through product innovation. By leveraging targeted product offerings such as the sports series to capture younger consumers, we aim to achieve dual growth in brand vitality and revenue. Meanwhile, we will deepen the "Family Care" strategy of the Litao brand, consolidating traditional channel advantages while expanding into personal care products such as fragranced body wash series, with a view to enriching the brand proposition, broadening consumption scenarios, and building new engines for growth.

We will continue to actively participate in various social public welfare undertakings, deeply integrating the "professional anti-hair loss" brand concept into public welfare activities to popularize scientific hair care knowledge among the public. While actively fulfilling corporate social responsibilities, we will effectively strengthen consumer goodwill and recognition of the brand.

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

(1) We will focus on key stores and core channel networks to implement benchmark demonstration activities. By creating branded display zones with standardized and vivid displays, supported by immersive interactive experiences and tiered consumer-friendly promotions, we aim to comprehensively drive customer traffic and enhance in-store retail conversion rates.

(2) We will accelerate the development of maternity and baby channels and specialty channels to rapidly expand channel coverage and create new growth drivers.

(3) We will continue to increase marketing resource allocation for key distributors and key retail systems, ensuring consistent and on-going nationwide promotional activities. This approach aims to improve distributor inventory turnover rates and continuously enhance retail store image construction.

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

(1) In terms of product offerings, we will increase innovation and investment in new anti-hair loss hair care products, while consolidating and driving high-quality growth in the sales volume and brand awareness of shampoo and scalp care product categories. We will continue to expand product development and testing in categories such as hair care and shower gels to generate incremental growth. We will also optimize product planning and launch cadence across channels and customers, leveraging collaborative efforts to enhance scale and efficiency.

(2) In terms of arena, we will increase investment into KOL-driven product promotion, KOC product seeding and other initiatives, while enhancing creative content development to strengthen brand awareness and drive sales growth. We will deepen the operation of existing retail channels, optimize promotional efficiency and improve return on investment so as to increase the scale of sales to customer-end. Meanwhile, we will leverage platforms such as 1688 to expand B2B online wholesale and group purchasing businesses to enhance sales volume.

(3) In terms of target groups, we will deepen our understanding of consumer needs and develop innovative products and solutions tailored to specific consumer segments and usage scenarios (e.g., late-night users). We will also optimize membership management and services, enhance customer service quality and policy support, and work together with partners to drive market growth. At the same time, we will continue to build a network of high-quality distributors to jointly explore market opportunities.

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 have improved the automation and intelligent management of part of our production processes for maintaining our competitive advantage and promoting Bawang brand image and market leadership.

In terms of supply chain management and sustainable development, we adopted a more flexible and advanced supply chain management approach, effectively utilized production facilities and factory space, and optimized production processes. Our rooftop solar photovoltaic systems continued to operate steadily during the period under review, helping to reduce conventional electricity consumption, lower production costs and reduce carbon emissions. We have also implemented stringent controls over production processes and manufacturing techniques to ensure product quality, while minimizing material waste and energy consumption, with the aim of achieving the Company's environmental emission targets.

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 collectively will 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 2026, the bank balances and cash, and the time deposits of the Group were approximately RMB111.0 million (as at 31 December 2025: approximately RMB115.6 million). A summary of liquidity and financial resources as at the dates indicated is set out below:

	30 June 2026 *RMB in million* **(Unaudited)**	31 December 2025 *RMB in million* (Audited)
Bank balances and cash	**66.0**	70.6
Time deposits	**45.0**	45.0
Total loans	**0**	0
Total assets	**244.5**	226.4
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 2026, 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 2026, the Group did not have any significant contingent liabilities.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group did not have any significant capital commitments.

CHARGE OF ASSETS

As at 30 June 2026, the Group did not have any pledge of assets.

TRADE AND OTHER PAYABLES

As at 30 June 2026, the trade and other payables of the Group were approximately RMB56.1 million (As at 31 December 2025 approximately RMB66.3 million), which represented a decrease of 15.4%. As at 30 June 2026, 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

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2026 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 2026.

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 2026 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 2026.

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 2026 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, 27 August 2026

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