茶百道

Sichuan Baicha Baidao Industrial Co., Ltd.
四川百茶百道實業股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2555)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Director(s)**") of Sichuan Baicha Baidao Industrial Co., Ltd. (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**" or "**we**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2025 as follows:

SUMMARY OF FINANCIAL PERFORMANCE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue	**2,654,769**	2,499,550
Gross profit	**797,468**	814,762
Profit before taxation	**419,459**	413,567
Profit for the period	**344,729**	332,913
Profit for the period attributable to owners of the Company	**336,324**	325,903
Earnings per Share (in RMB)		
– Basic	**0.228**	0.221
– Diluted	**0.228**	0.221
Adjusted net profit (non-IFRS measure)	**348,314**	340,346

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the first half of 2026, the Group recorded revenue of RMB2,654.8 million, representing an increase of 6.2% as compared with the corresponding period last year. Our revenue from the sale of goods and equipment increased by 7.0% as compared with the corresponding period last year. Revenue from royalty and franchising decreased by 19.5% as compared with the corresponding period last year. Other revenue increased by 22.0% as compared with the corresponding period last year. The following table sets out the breakdown of the Group's revenue by type and the percentage of our total revenue during the periods indicated:

	Six months ended 30 June					
	2026		2025		Change	
	RMB	**%**	RMB	%	RMB	%
	(in thousands, except percentages)					
Sale of goods and equipment[1]	**2,523,604**	**95.0**	2,357,846	94.3	165,758	7.0
Royalty and franchising[2]	**81,016**	**3.1**	100,607	4.0	(19,591)	(19.5)
Others[3]	**50,149**	**1.9**	41,097	1.7	9,052	22.0
Total	**2,654,769**	**100.0**	2,499,550	100.0	155,219	6.2

Notes:

(1) Sale of goods and equipment: where the Group sells to franchised stores materials and ingredients for the production of tea drinks, such as dairy products, tea leaves and fruits, as well as packaging materials and store equipment. The Group also sells packaging materials to third-party purchasers that are manufactured by Senmian New Materials, such as biodegradable straws and cups.

(2) Royalty and franchising: including non-refundable upfront initial fees, royalty income and pre-opening training service fees paid by franchisees.

(3) Others: mainly consisted of (i) income from our design services in relation to franchised stores; (ii) income from our online operation and management services in relation to the collaboration with third-party online delivery platforms; and (iii) income from our self-operated ChaPanda stores.

During the Reporting Period, the Group responded actively to changes in the external market environment by advancing a multi-category development strategy. It organically expanded store coverage for freshly-brewed coffee offerings, further enriched its product portfolio and consumption scenarios, and achieved stable per-store sales performance. The Group also continued to optimize its domestic and overseas store network layout, driving steady expansion. Meanwhile, it further strengthened store management, supply chain support and operational process development to enhance refined operational capabilities and management quality, providing solid support for the long-term, stable operation of its stores and the continued expansion of the store network.

Store Network

Our ChaPanda store network has covered cities of all tiers across the Chinese mainland and multiple overseas markets. In the Chinese mainland, the Group continues to consolidate its market foundation in first-tier and new first-tier cities, enhance brand awareness and stay attuned to consumer trends, while deepening its footprint in lower-tier cities to expand store coverage and market penetration. Abroad, the Group continuously explores markets with consumption potential and brand suitability, steadily growing its store network and brand presence. Through continuous optimization of store layout both domestically and internationally, the Group has further reached diverse consumer groups, laying a foundation for the long-term steady development of its store network.

The following table sets forth a breakdown of the Group's store coverage by city tier in China and overseas markets as of 30 June 2026.

	As of 30 June			
	2026		2025	
	Number of stores	**%**	Number of stores	%
First-tier cities	**772**	**8.7**	784	9.3
New first-tier cities	**2,184**	**24.6**	2,147	25.4
Second-tier cities	**1,736**	**19.6**	1,688	19.9
Third-tier cities	**1,708**	**19.3**	1,618	19.1
Fourth-tier and below cities	**2,391**	**27.0**	2,207	26.1
Overseas	**72**	**0.8**	21	0.2
Total	**8,863**	**100.0**	8,465	100.0

During the Reporting Period, on the basis of continuously optimizing the operational quality of our store network, we further expanded store coverage and steadily advanced store expansion. The number of our global stores increased from 8,465 as of 30 June 2025 to 8,863 as of 30 June 2026, representing a year-on-year increase of 4.7%. Among them, the number of our stores in the Chinese mainland increased from 8,444 as of 30 June 2025 to 8,791 as of 30 June 2026, representing a year-on-year increase of 4.1%; the number of our overseas stores increased from 21 to 72, marking the steady progress of the overseas market layout.

During the Reporting Period, we continued to deepen our footprint in lower-tier markets. Based on the characteristics of different city tiers and business districts, we deployed differentiated store models and optimized site selection strategies to enhance the operational efficiency of our stores. The number of our stores in third-tier and lower cities increased from 3,825 as of 30 June 2025 to 4,099 as of 30 June 2026, representing a year-on-year increase of 7.2%.

We regard overseas businesses as a significant component of our long-term development, continuously exploring markets with consumption potential and brand suitability. As of 30 June 2026, the Group had a total of 72 overseas stores covering 13 countries and regions, including 32 stores in South Korea, which remained the Group's largest overseas market, and 9 and 7 stores in Malaysia and Singapore, respectively. During the Reporting Period, the Group also entered the markets of Canada, New Zealand, and Vietnam, further expanding its overseas market coverage. Looking ahead, we will continue to improve supply chain support, localized product R&D, and brand promotion systems in overseas markets. We will focus on key markets to accelerate scaled expansion, enhancing market penetration and brand influence, while steadily nurturing newly entered markets to lay a foundation for the long-term steady growth of our overseas business.

Our Franchise Model

During the Reporting Period, our ChaPanda store network primarily consisted of franchised stores. We maintain strong oversight towards franchised stores, ensuring that every aspect of store operation is properly managed and optimized for success. Our involvement throughout the operations of franchised stores encompasses participation in planning and location selection, and provision of in-depth training to franchisees and in-store staff on various aspects such as procurement, staff recruitment, quality control and daily management. Additionally, we supply raw materials, equipment, and provide logistics, operations, and marketing services to support our franchisees in their pursuit of success. Franchisees primarily focus on the day-to-day operation and maintenance of their stores, on-site staff management and customer service. By dividing responsibilities in this manner, we ensure that our franchisees receive the necessary support and guidance while maintaining their autonomy in managing their stores. This approach fosters a strong partnership between us and the franchisees, contributing to the overall success and growth of the ChaPanda brand.

The following table sets forth the movement of the number of our franchisees for the periods indicated.

	Number of franchisees	
	Six months ended 30 June	
	2026	2025
At the beginning of the period	**5,923**	5,742
Enrolled during the period	**612**	596
Terminated during the period[(1)]	**(497)**	(505)
At the end of the period	**6,038**	5,833

The following table sets forth the movement of the number of our franchised stores for the periods indicated.

	Number of franchised stores Six months ended 30 June	
	2026	2025
At the beginning of the period	**8,608**	8,382
Enrolled during the period	**669**	466
Terminated during the period[(2)]	**(499)**	(418)
At the end of the period	**8,778**	8,430

Notes:

(1) As of 30 June 2026, the 497 franchisees with whom the collaboration was terminated include (i) 187 franchisees who departed through transfer of stores to other franchisees; (ii) 298 franchisees who terminated collaboration with us for their own reasons or did not renew collaboration with us upon agreement expiration; and (iii) 12 franchisees with whom the collaboration was terminated by us.

(2) With respect to the 499 closed franchised stores as of 30 June 2026, there were 255 closed franchised stores for which we also terminated relationships with the relevant franchisees, and there were 244 closed franchised stores for which we maintained relationships with the relevant franchisees as they have one or more stores under operation despite the store closure.

Product Development

Our product portfolio is centered around freshly-made tea drinks, including a wide range of classic tea drinks, seasonal tea drinks and regional tea drinks. In ChaPanda stores, our classic tea drinks are typically available throughout the year, whereas seasonal tea drinks and regional tea drinks are only sold in limited time periods or certain regions, primarily depending on the accessibility of relevant seasonal fruits or local specialty fruits, consumer acceptance and sales and marketing considerations. Meanwhile, we kept expanding into other categories, represented by freshly-brewed coffee, further enriching our product portfolio to meet consumers' diverse needs.

The Group always prioritizes the quality of raw materials and product flavor. It has established a product development mechanism covering consumer demand insight, market trend identification, product R&D and standardized management, thereby continuously enhancing product innovation capabilities and standardization levels. During the Reporting Period, we launched 62 new products for the Chinese mainland market, upgraded and iterated 6 products, and developed 246 product formulas for the library. Meanwhile, building on market hits such as Litchi Iced Milk (荔枝冰奶), we further expanded the iced milk product series by successively launching products like Guava Iced Milk (芭樂冰奶) and Grape Iced Milk (葡萄冰奶), which formed a product development pathway ranging from trend identification and hit product verification to series extension, further reinforcing consumer awareness of the iced milk category and consolidating the Group's competitive advantage in terms of such category.

During the Reporting Period, we actively expanded product categories and consumption scenarios, steadily advanced store coverage of freshly-brewed coffee beverages and launched 15 new coffee products for the Chinese mainland market, enriching coffee product options. By advancing coffee product R&D and gradually expanding store coverage, we further satisfied consumer demand for beverages across different time slots, broadened in-store consumption scenarios, and enhanced store operating vitality.

Supply Chain Management

During the Reporting Period, the Group continuously optimized the operation of its supply chain system, enhancing overall operational efficiency and optimizing the cost structure by focusing on core areas such as raw material procurement, warehousing and distribution coordination, and delivery management. As of 30 June 2026, the Group had established a total of 27 warehousing and distribution centers nationwide, with the addition of the Huai'an Warehousing and Distribution Center. This not only improved distribution coverage in the East China region but also further optimized the regional warehousing and distribution layout and resource allocation efficiency.

The warehouse and distribution hubs in each region are responsible for serving the surrounding stores within an average distribution radius of less than 200 kilometers. Approximately 94.24% of stores can receive next-day delivery after placing an order, and approximately 95.15% of stores can receive delivery services twice or more times a week. The Group has also implemented overnight delivery route services in Beijing, Shanghai, Chengdu and Chongqing, etc., further enhancing the utilization efficiency of warehousing and distribution resources. Through a multi-temperature warehousing and distribution system and a regionalized layout, the Group continuously improves delivery efficiency and operational stability, ensuring the freshness and quality consistency of raw materials in stores.

As of 30 June 2026, the Group has achieved store coverage of 91% for the centralized delivery of fruits to ChaPanda stores. By expanding origin procurement, and leveraging a coordinated model of trunk line transportation, urban distribution and express delivery, the Group continues to optimize the fruit supply chain. We have established a full-chain, high-frequency and cold-chain supply network, enabling efficient supply and rapid turnover of delicate fruits such as mulberries, bayberries and litchis from the production areas to the stores.

In terms of upstream raw materials layout, the Group's production base for whole leaf tea in Fuzhou, Fujian Province, and the production base for packaging materials in Chengdu, Sichuan Province, continued to carry out technological upgrading for production equipment, further improving the quality of raw materials, ensuring stable supply of tea leaves and packaging materials, and guaranteeing the quality of beverages in stores.

To meet the needs of the overseas business development of the Company, the Group proactively engaged in import and export matters in various countries and regions, improved delivery management and promoted the application of information systems to fully support the Company's overseas business development.

Branding and Marketing

The Group advances brand building with a product-centric approach, focusing on consumers' attention to product quality, taste performance, and consumption experience. It continuously improves the interaction mechanism between the brand and users, and enhances user stickiness through membership loyalty programs and incentivized referrals mechanisms, thereby optimizing the member experience and consolidating our core consumer base. As of 30 June 2026, the Group's registered members exceeded 201.4 million, with active members reaching 35.9 million.

During the Reporting Period, leveraging key events such as brand anniversaries and new product launches and to address different consumption scenarios and user needs, the Group comprehensively utilized digital marketing, content dissemination, and crossover collaboration to continuously enrich forms of user interaction and brand touchpoints, driving a synergistic enhancement of product experience and brand awareness. On the occasion of the 18th anniversary of the brand establishment, the Group comprehensively upgraded the existing panda IP "Chacha" and further built a more recognizable and extensible IP family system. Through diversified content and interactive formats, the Group deepened the emotional connection between the brand and consumers.

As of 30 June 2026, "ChaPanda" brand-related major topics were read/played 28.9 billion times on mainstream public information platforms, such as Weibo, Douyin, Red Note, Kuaishou, etc., and 840 million times via official matrix media on self-media platforms; and we received over 1,100 million exposures through advertising and other means. Brand influence and user engagement continued to increase.

Digitalization

During the Reporting Period, the Group continued to deepen its digital and intelligent development. Centering on core areas, such as product management, user operation and store operation, we continuously improved digital systems and operational tools. Through the standardized product data platform, the Group established a unified data system covering product series, grades and tags, enhancing the standardization and consistency of product data management, thereby laying a foundation for product matrix management and data application.

Our omni-channel user operation capabilities continued to improve. The Group continuously optimized mini-program functions and user experience, deepened cooperation with mainstream platforms, and expanded transaction and customer acquisition scenarios. Meanwhile, it refined the membership marketing system and optimized capabilities in user tagging, personalized recommendation and intelligent coupon issuance, thereby enhancing the level of refined user operation and precision marketing.

Focusing on improving store operational efficiency, the Group advanced the construction and application of automated and intelligent systems for scenarios such as replenishment, preparation and store inspection, and improved operational tools, such as omni-channel product management and formula release, thereby enhancing the daily operational efficiency of its stores. Meanwhile, it further advanced the online transformation of the entire investment promotion process, realized the interconnection between site selection data and core business systems, and provided data support for store evaluation and precise expansion.

OUTLOOK

In the second half of 2026, the Group will firmly advance its multi-category development strategy by continuously enriching its product portfolio and expanding into diverse consumption scenarios, while consolidating the core strengths of its freshly-made tea drinks. For freshly-brewed coffee, the Group will systematically expand store coverage, continue product research and development, and strengthen market promotion to enhance store operational vitality.

In brand development, the Group will focus on upgrading its IP system to further enrich its IP image, content expression and interactive experiences. Through product marketing, crossover collaboration and digital communication, it aims to deepen emotional connections of its brand with young consumers, and strengthen brand recognition and consumer acceptance.

The Group will maintain a steady store expansion strategy, continue to deepen market penetration, and focus on seizing structural growth opportunities in low-tier markets. It will optimize store models and expansion pace based on the characteristics of different city tiers and commercial districts. At the same time, the Group will continue to improve its franchise support system and enhance supply chain collaboration, digital management and operational support capabilities, thereby promoting the healthy development of its store network.

In response to external environmental fluctuations and industry changes, the Group will adapt actively, adjust its business strategies and resource allocation flexibly, strengthen cost control, risk management, and refined operations, and continuously enhance operational resilience to promote sustainable business development.

FINANCE REVIEW

Revenue and gross profit

During the Reporting Period, the Group recorded revenue of RMB2,654.8 million, representing an increase of 6.2% as compared to RMB2,499.6 million in the first half of last year; gross profit of RMB797.5 million, representing a decrease of 2.1% as compared to RMB814.8 million in the first half of last year. During the Reporting Period, the Group's gross profit margin decreased by 2.6 percentage points to 30.0% from 32.6% for the same period of last year, mainly due to vigorous development of freshly-brewed coffee business by the Group during the Reporting Period, which returned profits to franchisees.

Other income

During the Reporting Period, the Group's other income amounted to RMB19.1 million, representing a decrease of 19.4% as compared to RMB23.7 million in the first half of last year, mainly due to the decrease in interest income resulting from the decline in bank interest rates.

Distribution and selling expenses

During the Reporting Period, the Group's distribution and selling expenses amounted to RMB138.3 million, representing a decrease of 7.9% as compared to RMB150.1 million in the first half of last year, which was mainly due to the restructure of brand promotion.

Administrative expenses

During the Reporting Period, the administrative expenses of the Group amounted to RMB246.6 million, representing a decrease of 4.2% as compared to RMB257.4 million in the first half of last year, mainly due to the optimisation of our expense control and management.

Research and development expenses

During the Reporting Period, the Group's research and development expenses amounted to RMB13.0 million, representing a decrease of 7.8% as compared to RMB14.1 million in the first half of last year, which was basically flat as compared with the corresponding period last year.

Other expenses

During the Reporting Period, the Group's other expenses amounted to RMB0.1 million, representing a decrease of 90.9% as compared to RMB1.1 million in the first half of last year, mainly due to the decrease in donations to social welfare organizations during the Reporting Period.

Finance costs

During the Reporting Period, the Group's finance costs amounted to RMB2.3 million, representing an increase of 9.5% as compared to RMB2.1 million in the first half of last year, mainly due to the increase in expenses on lease interest resulting from the increase in leased assets of the Group.

Income tax expense

During the Reporting Period, the Group's income tax expense was RMB74.7 million, representing a decrease of 7.4% as compared to RMB80.7 million in the first half of last year, mainly due to the decrease in the taxable income subject to non-preferential tax rates resulting from changes in income structure.

Profit for the period

As a result of the aforementioned changes, the Group's profit for the Reporting Period increased by 3.5% from RMB332.9 million in the first half of last year to RMB344.7 million.

Non-IFRS measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS, the Group also uses certain non-IFRS measures, namely, adjusted EBITDA, adjusted EBITDA margin, adjusted net profit and adjusted net profit margin, as additional financial metrics. These non-IFRS measures are not required by or presented in accordance with IFRS. The Group believes that non-IFRS measures facilitate comparisons of the Group's operating performance by eliminating potential impacts of certain items. The Group also believes that such non-IFRS measures present useful information in understanding and evaluating the Group's consolidated results of operations in the same manner as they help our management. However, the Group's presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and Shareholders and potential investors should not consider it in isolation from, or as a substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS.

The following table reconciles the Group's EBITDA (non-IFRS measure), adjusted EBITDA (non-IFRS measure) and our adjusted net profit (non-IFRS measure) to our profits for the periods presented in accordance with IFRS for the periods indicated.

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Profit for the period	**344,729**	332,913
Add:		
Income tax expense	**74,730**	80,654
Depreciation and amortization	**51,795**	46,291
Finance costs	**2,309**	2,060
Interest income	**(14,242)**	(18,217)
EBITDA (non-IFRS measure)	**459,321**	443,701
Add:		
Equity-settled share-based payment expenses[(1)]	**3,585**	7,433
Adjusted EBITDA (non-IFRS measure)	**462,906**	451,134
Adjusted EBITDA margin (non-IFRS measure)	**17.4%**	18.0%
Profit for the period	**344,729**	332,913
Add:		
Equity-settled share-based payment expenses[(1)]	**3,585**	7,433
Adjusted net profit (non-IFRS measure)	**348,314**	340,346
Adjusted net profit margin (non-IFRS measure)	**13.1%**	13.6%

Note:

(1) Equity-settled share-based payment expenses represent the fair value of the shares granted at the date of grant, taking into account the consideration for subscription of the equity interests. The item is adjusted as it is non-cash, and is not expected to result in our future cash payments.

Cash and cash equivalents

As at 30 June 2026, the total balance of cash and cash equivalents of the Group was RMB2,964.3 million, representing a decrease of 3.5% as compared to RMB3,071.4 million as at 31 December 2025, mainly due to the payment of the prior year's profit distribution for the first half of 2026 and the increase in trade receivables.

Inventories

During the Reporting Period, the Group focused on key items and improved operational efficiency. The Group's inventories decreased from RMB223.3 million as at 31 December 2025 to RMB173.9 million as at 30 June 2026. Inventory turnover days decreased from 21.9 days as at 31 December 2025 to 19.7 days as at 30 June 2026, due to continuous implementation of refined supply chain management by the Group.

Trade and other receivables, deposits and prepayments

The Group's trade and other receivables, deposits and prepayments increased from RMB206.5 million as at 31 December 2025 to RMB368.7 million as at 30 June 2026. Trade receivables turnover days increased from 1.9 days as at 31 December 2025 to 8.6 days as at 30 June 2026, mainly due to the increase in receivables from certain franchisees for sales of equipment resulting from vigorous development of freshly-brewed coffee business by the Group during the Reporting Period.

Trade and other payables

The Group's trade and other payables increased from RMB551.6 million as at 31 December 2025 to RMB554.1 million as at 30 June 2026. Trade payables turnover days decreased from 27.7 days as at 31 December 2025 to 25.9 days as at 30 June 2026, which was basically flat.

Bank borrowings

As of 30 June 2026, the Group did not have any bank borrowings.

Contract liabilities

The Group's contract liabilities decreased from RMB135.9 million as at 31 December 2025 to RMB96.0 million as at 30 June 2026, mainly due to the Group's enhanced support for franchisees through maintaining an installment collection policy, which resulted in a reduction in advance payments received from franchisees.

Lease liabilities

The Group's lease liabilities decreased from RMB81.0 million as of 31 December 2025 to RMB67.6 million as of 30 June 2026, mainly due to the normal performance of lease payment obligations arising from the Company's ordinary operating activities.

Property, plant and equipment

The Group's carrying amounts of property, plant and equipment decreased from RMB210.4 million as of 31 December 2025 to RMB202.9 million as of 30 June 2026, mainly due to the normal depreciation of property, plant and equipment.

Liquidity and capital resources

The Group has adopted a prudential liquidity management policy. The Group attached great importance to the supply and acquisition of capital at any time and had sufficient stand-by banking facilities to support daily operations and meet funding needs for future development, so as to maintain stable liquidity. During the Reporting Period, the Group's business was mainly funded by cash generated from operating activities. As of 31 December 2025 and 30 June 2026, the Group's cash and cash equivalents amounted to RMB3,071.4 million and RMB2,964.3 million, respectively. The Group's cash is mainly used for the fulfillment of its business operation requirements. The Group's capital needs are satisfied by cash generated from operating activities, the proceeds from the Global Offering and other future equity or debt financings.

Foreign exchange risk

The Group's principal place of business is in the PRC. The Group was mainly exposed to foreign exchange risk associated with proceeds from the Global Offering denominated in Hong Kong dollars and certain bank deposits denominated in U.S. dollars. During the Reporting Period, the Group did not conduct any foreign exchange hedging-related activity. However, the Group's management, upon continuously supervising foreign exchange risk, will consider adopting appropriate hedging strategies when necessary.

Contingent liabilities

As of 30 June 2026, the Group had no significant contingent liabilities.

Capital commitments

As of 30 June 2026, the Group's capital commitments amounted to approximately RMB7.6 million, which mainly represents the capital expenditure in respect of the acquisition of property, plant and equipment and intangible assets contracted for but not provided in the historical financial information.

Pledge of assets

As at 30 June 2026, no assets of the Group were pledged by the Group.

Gearing ratio

As of 30 June 2026, the Group did not have any bank borrowings. Accordingly, no gearing ratio is presented herein.

Significant investments, material acquisitions and disposals

As of 30 June 2026, the Group neither had any significant investments (including any investments in an investee with a value of 5% or more of the Group's total assets as of 30 June 2026), nor material acquisitions or disposals in relation to subsidiaries, associates and joint ventures. We subscribed for wealth management products from financial institutions for cash management. During the Reporting Period and as at the date of this announcement, there was no information in respect of subscription for such wealth management products from a single financial institution required to be disclosed pursuant to Chapter 14, Chapter 14A or Appendix D2 of the Listing Rules. The subscription for such wealth management products did not utilize the Company's proceeds from the Global Offering.

Future plans for material investments or capital assets

As at the date of this announcement, the Group currently has no future plans for other material investments or capital assets other than the "Future Plans and Use of Proceeds" as disclosed in the Prospectus.

Employees and remuneration policies

As at 30 June 2026, the Group had 2,150 employees, and the total employee benefit expenses (including Directors' remuneration) during the Reporting Period were RMB215.5 million. The level of salaries and benefits was determined by the Group for its employees with reference to the market and their respective individual qualifications and abilities, and incentive mechanisms such as performance bonuses were established.

The Group continued to improve its employee promotion policy and career development channel, and provide staff with fair career development opportunities, to motivate internal driving force and accelerate talent growth. The Company kept optimizing the talent development system, and adopted an online-offline combination mode, offering staff an online learning platform and rich, cutting-edge curriculum resources focusing on general, professional and talent development training topics, so as to meet the learning and development needs in different scenarios, thereby supporting staff career advancement.

For the purposes of rendering improvement to the Company's incentive mechanism, inspiring key employees to contribute their enthusiasm and creativity, facilitating sustainable growth of the Group's performance, and bringing value-added benefits to the eligible participants while enhancing the Group's value, so as to achieve the common development for both eligible participants and the Group. As considered and approved by the extraordinary general meeting of the Company held on 27 June 2023, the Company adopted the Pre-IPO Employee Incentive Scheme, and established Sichuan Tongchuang Gongjin Enterprise Management Partnership (Limited Partnership) (四川同創共進企業管理合夥企業(有限合夥)) ("**Tongchuang Gongjin**"), (serving as a Pre-IPO Employee Incentive Platform). 6,386,000 shares of the Company ("**Share(s)**") were subscribed for by Tongchuang Gongjin, representing approximately 0.4322% of the total issued Shares of the Company. The awards of underlying Shares were granted to eligible participants on 10 August 2023, and all contribution payments have been fully paid. There will be no further Shares granted by the Company after the listing pursuant to the Pre-IPO Employee Incentive Scheme. For more details of the Pre-IPO Employee Incentive Scheme, please refer to "Statutory and General Information – 5. Pre-IPO Employee Incentive Scheme" in Appendix VI to the Prospectus and the 2026 Interim Report expected to be published by the end of September 2026.

Significant event after the Reporting Period

Since 30 June 2026 and up to the date of this announcement, the Group did not have any material events.

USE OF PROCEEDS FROM THE LISTING

The Company was listed on the Main Board of the Stock Exchange on 23 April 2024, and 147,763,400 new Shares were issued at an offer price of HK$17.50 per Share. After deducting underwriting commissions, fees and other expenses in relation to the Global Offering, the net proceeds from the listing amounted to approximately HK$2,463.3 million. The proceeds from the listing have been and will continue to be utilized according to the plans disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, with details as follows:

Item	**Percentage**	**Proceeds allocated for related purpose** *(HK$ million)*	**Utilized proceeds during the Reporting Period** *(HK$ million)*	**Unutilized proceeds as of the end of the Reporting Period** *(HK$ million)*	**Expected timetable for the full utilization of unutilized proceeds**
Improve our overall operation capabilities and strengthen our supply chain	51%	1,256.3	169.6	507.8	June 2027
Develop our digitalization capabilities, and engage and train professional talents	20%	492.7	63.7	177.6	June 2027
Branding and promoting activities	12%	295.6	–	–	–
Promote our self-operated coffee brand and develop the coffee shop network across China	5%	123.1	97.5	–	–
Product development and innovation, including recruiting, training and retaining in-house research and development personnel and building a research and development center at our headquarters equipped with advanced software and hardware to streamline and enhance our product development endeavors	2%	49.3	9.0	21.4	June 2027
Working capital and general corporate purposes	10%	246.3	–	–	–
Total	**100%**	**2,463.3**	**339.8**	**706.8**	

We have placed the unutilized net proceeds in interest-bearing accounts of licensed commercial banks or financial institutions in China or Hong Kong. We will comply with the laws of China in relation to foreign exchange registration and remittance of the proceeds.

INTERIM DIVIDEND

Pursuant to the Company's profit distribution policy, it is proposed by the Board that a cash dividend of RMB0.15 (before tax) per Share for the 2026 interim dividend be paid to all Shareholders of the Company based on the total share capital of 1,477,634,250 Shares of the Company after the listing and issuance of its H Shares, of which H Shareholders holding the Company's H Shares pursuant to the H Share Full Circulation carried out by the Company shall be paid in RMB; other H Shareholders shall be paid in Hong Kong dollars. The exchange rate of HK$ will be calculated based on the average benchmark exchange rate of RMB to HK$ as announced by the People's Bank of China for three business days before and including the date on which the 2026 first extraordinary general meeting is held. The Company will distribute a total cash dividend of RMB221,645,137.50, representing 65.9% of the profit for the period attributable to owners of the Company. The 2026 interim dividend will be financed by the Company's own funds other than proceeds from the listing.

The proposed interim dividend is subject to Shareholders' approval at the 2026 first extraordinary general meeting, and is anticipated to be paid on or around Monday, 30 November 2026.

The Company will publish a separate notice on, among others, the record date for determining the entitlement to the interim dividend, the relevant period for closure of register of members, the dividend tax and the specific date for the distribution thereof.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix C1 to the Listing Rules as its own code of corporate governance. The Company has, to the best knowledge of the Directors, complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code for the six months ended 30 June 2026.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as the code of conduct for securities transactions by the Directors and the former supervisors of the Company. Having made specific enquiries of all Directors and the former supervisors of the Company, each of the Directors acknowledged that he/she had complied with the Model Code for the six months ended 30 June 2026, and each of the former supervisors of the Company acknowledged that he/she had complied with the Model Code throughout the period in which he/she served as a supervisor of the Company during the Reporting Period.

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

During the six months ended 30 June 2026, the Company or any of its subsidiaries did not purchase, sell or redeem any securities of the Company (including sale of treasury shares (as defined in the Listing Rules)). As at 30 June 2026, the Company did not hold any treasury shares.

REVIEW OF THE INTERIM RESULTS

The Audit Committee of the Board comprises Dr. Chen Da as a non-executive Director and Mr. Yeung Chi Tat and Ms. Cheng Li as independent non-executive Directors, and Mr. Yeung Chi Tat is the chairman of the Audit Committee. The Audit Committee has reviewed the accounting principles and practices adopted by the Group, discussed financial reporting matters with the management of the Company, and has reviewed the Group's unaudited interim results for the six months ended 30 June 2026.

The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2026 have also been reviewed by the Company's independent auditor, Deloitte Touche Tohmatsu (Hong Kong Certified Public Accountants).

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND 2026 INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chabaidao.com). The Company will release its 2026 interim report in due course and publish it on the websites of the Stock Exchange and the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	NOTES	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue	3	**2,654,769**	2,499,550
Cost of sales		**(1,857,301)**	(1,684,788)
Gross profit		**797,468**	814,762
Other income	4	**19,134**	23,685
Other gains and losses, net		**6,981**	8,418
Distribution and selling expenses		**(138,340)**	(150,149)
Administrative expenses		**(246,604)**	(257,375)
Research and development expenses		**(12,975)**	(14,126)
Other expenses		**(100)**	(1,106)
Share of results of associates		**(3,796)**	(8,482)
Finance costs		**(2,309)**	(2,060)
Profit before taxation		**419,459**	413,567
Income tax expense	5	**(74,730)**	(80,654)
Profit for the period		**344,729**	332,913
Other comprehensive expense			
Items that will not be reclassified to profit and loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**(104,610)**	(148,915)
Income tax relating to item that will not be reclassified to profit or loss		**(23,957)**	7,190
		(128,567)	(141,725)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(29,001)**	(4,369)
Other comprehensive expense for the period, net of income tax		**(157,568)**	(146,094)
Total comprehensive income for the period		**187,161**	186,819

	NOTE	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Profit for the period attributable to:			
– Owners of the Company		**336,324**	325,903
– Non-controlling interests		**8,405**	7,010
		344,729	332,913
Total comprehensive income for the period attributable to:			
– Owners of the Company		**178,756**	179,809
– Non-controlling interests		**8,405**	7,010
		187,161	186,819
Earnings per share (in RMB)	*7*		
Basic and diluted		**0.228**	0.221

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2026

	NOTES	**As at 30 June 2026** *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment		**202,919**	210,426
Right-of-use assets		**101,088**	117,048
Intangible assets		**103,557**	109,252
Investments in associates		**15,314**	19,111
Equity instruments at FVTOCI	*8*	**174,614**	276,564
Financial assets at fair value through profit or loss ("**FVTPL**")	*9*	**401,887**	407,279
Trade receivables, deposits and prepayments	*10*	**147,309**	32,420
Deferred tax assets		**133,044**	159,391
		1,279,732	1,331,491
Current assets			
Inventories		**173,852**	223,346
Trade and other receivables, deposits and prepayments	*10*	**221,365**	174,074
Amounts due from related parties		**607**	607
Financial assets at FVTPL	*9*	**30,262**	28,634
Cash and cash equivalents		**2,964,278**	3,071,435
		3,390,364	3,498,096
Current liabilities			
Trade and other payables	*11*	**554,115**	551,562
Contract liabilities		**52,414**	93,610
Income tax payables		**14,829**	29,667
Lease liabilities		**37,944**	39,628
		659,302	714,467
Net current assets		**2,731,062**	2,783,629
Total assets less current liabilities		**4,010,794**	4,115,120

	NOTES	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Non-current liabilities			
Contract liabilities		**43,569**	42,282
Lease liabilities		**29,640**	41,412
Deferred tax liabilities		**8,509**	12,602
		81,718	96,296
Net assets		**3,929,076**	4,018,824
Capital and reserves			
Share capital		**147,763**	147,763
Reserves		**3,744,300**	3,827,933
Equity attributable to owners of the Company		**3,892,063**	3,975,696
Non-controlling interests		**37,013**	43,128
Total Equity		**3,929,076**	4,018,824

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL INFORMATION AND BASIS OF PREPARATION

四川百茶百道實業股份有限公司 (Sichuan Baicha Baidao Industrial Co., Ltd.) (the "**Company**") was incorporated in the PRC on 31 December 2020 as a joint stock company under the Company Law of the PRC. Its parent is 四川恒盛合瑞實業集團有限公司 (Sichuan Hengsheng Herui Industrial Group Co., Ltd.) ("**Hengsheng Herui**") (established in the PRC) and its ultimate parent is 成都錦柏森企業管理有限公司 (Chengdu Jinbosen Enterprise Management Co., Ltd.) ("**Chengdu Jinbosen**") (established in the PRC). Its ultimate controlling parties are Mr. Wang Xiaokun (王霄錕) and his spouse Ms. Liu Weihong (劉洧宏) (collectively the "**Controlling Shareholders**"), and Mr. Wang Xiaokun is also the chairman and an executive director of the Company. The shares of the Company had been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 23 April 2024 (the "**Listing**").

The Company acts as an investment holding company and its subsidiaries are engaged in the business of sales of equipment and goods to franchisees, as well as provision of royalty and franchising services to franchisees. The principal operations and geographic markets of the Company and its subsidiaries (the "**Group**") are in the PRC.

The condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is the currency of the primary economic environment in which most the Group entities operate.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standards Board ("**IASB**") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange.

2. ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to International Financial Reporting Standards ("IFRSs")

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

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

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

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with franchisees

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Sale of goods and equipment:		
– Goods	**2,256,805**	2,309,364
– Equipment	**266,799**	48,482
	2,523,604	2,357,846
Royalty and franchising income:		
– Royalty income	**44,579**	46,827
– Non-refundable upfront initial fee	**31,541**	46,319
– Pre-opening training services	**4,896**	7,461
	81,016	100,607
Others	**50,149**	41,097
	2,654,769	2,499,550

(ii) Segment information

Information is reported to Mr. Wang Xiaokun, who is one of the Controlling Shareholders and also an executive director of the Company, being the chief operating decision maker ("**CODM**") of the Group, for the purposes of resource allocation and performance assessment. No other analysis of the Group's results nor assets and liabilities is regularly provided to the CODM for review and the CODM reviews the overall results and financial position of the Group as a whole. Accordingly, the CODM has identified one operating segment and only entity-wide disclosures on revenue, major customers and geographical information are presented in accordance with IFRS 8 "Operating Segments".

4. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Government grant	**2,748**	3,989
Interest income on:		
– bank deposits and certificate of deposits	**14,242**	18,217
Compensations received *(Note)*	**1,442**	1,479
Other	**702**	–
	19,134	23,685

Note: Compensations mainly represented payments from the Group's suppliers for providing substandard products.

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**76,433**	87,331
Deferred tax	**(1,703)**	(6,677)
Total	**74,730**	80,654

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and implementation regulations of the EIT Law, the statutory EIT rate of the Group operating in the PRC is 25%, except for certain subsidiaries that are engaged in the "Encouraged Industries in the Western Region" and eligible for the preferential EIT rate at 15%.

6. DIVIDENDS

For the period ended 30 June 2026

During the current interim period, a final dividend of HKD0.21 (equivalent to approximately RMB0.18) (before tax) per ordinary share with total dividends of RMB265,974,000 in respect of the year ended 31 December 2025 was declared to owners of the Company and has been fully paid.

Subsequent to the end of current interim period, an interim dividend in respect of the period ended 30 June 2026 of RMB0.15 (before tax) per ordinary share, in an aggregate amount of RMB221,645,000, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming extraordinary general meeting.

For the period ended 30 June 2025

During the six months ended 30 June 2025, a final dividend of HKD0.22 (equivalent to approximately RMB0.20) (before tax) per ordinary share with total dividends of RMB295,527,000 in respect of the year ended 31 December 2024 was declared to owners of the Company, among which RMB33,335,000 was paid during the six months ended 30 June 2025.

On 29 August 2025, an interim dividend in respect of the period ended 30 June 2025 of HKD0.20 (equivalent to approximately RMB0.18) (before tax) per ordinary share, in an aggregate amount of RMB265,974,000, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

7. EARNINGS PER SHARE

The calculation of the earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings:		
Earnings for the purpose of calculating basic and diluted earnings per share	**336,324**	325,903
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,472,159,250**	1,472,159,250
Effect of dilutive potential ordinary shares:		
Dilutive effect of shares issued for Pre-IPO Employee Incentive Scheme (as defined in *Note 12*)	**5,974,691**	4,144,984
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,478,133,941**	1,476,304,234

During the interim period, shares issued for Pre-IPO Employee Incentive Scheme were not included in the calculation of diluted earnings per share, as its inclusion would have been anti-dilutive. Accordingly, diluted earnings per share were the same as basic earnings per share for the period.

8. EQUITY INSTRUMENTS AT FVTOCI

The directors of the Company have elected to designate equity instruments in certain listed entities at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

As at 30 June 2026, the carrying amount of equity instruments at FVTOCI is RMB174,614,000 (31 December 2025: RMB276,564,000), net of accumulative fair value loss recognised in the other comprehensive expense of RMB494,083,000 (31 December 2025: RMB389,473,000).

9. FINANCIAL ASSETS AT FVTPL

	As at 30 June 2026 **RMB'000** **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Current		
Unlisted funds *(Note (i))*	**30,262**	28,634
Non-current		
Investment in ordinary shares with other preferential rights	**224,000**	224,000
Unlisted funds	**177,887**	183,279
	401,887	407,279
Total	**432,149**	435,913

Note:

(i) Unlisted funds are classified as current as the management expects to realize these financial assets within twelve months after the end of reporting period.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2026 **RMB'000** **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Current		
Trade receivables *(Note (i))*	**86,768**	45,674
Other receivables	**12,617**	7,127
Value-added tax recoverable	**23,703**	30,686
Advances to staff	**4,675**	3,239
Lease deposits	**3,991**	3,210
Prepayments for		
– raw materials, equipment and others	**65,513**	40,926
– advertising services *(Note (ii))*	**24,098**	43,212
	221,365	174,074
Non-current		
Trade receivables *(Note (i))*	**107,335**	–
Prepayments for advertising services *(Note (ii))*	**33,225**	25,127
Lease deposits	**6,749**	7,293
	147,309	32,420
Total	**368,674**	206,494

Notes:

(i) The Group's trade receivables are mainly due from certain royalty and franchising business and sales of equipment. These primarily relate to a number of independent shops for whom there is no significant financial difficulty and based on past experience and management's assessment, the overdue amounts can be recovered. The receivables arising from sales of equipment are secured by the sold equipment, of which, the receivables with maturities over one year are presented as non-current assets.

(ii) The amounts represent certain agreements entered between the Group and various third parties for future advertising services, of which amount of RMB33,225,000 (31 December 2025: RMB25,127,000) are not expected to be utilized within twelve months from the end of the reporting period. Therefore, the corresponding portion of prepayments are classified as non-current assets.

The following is an aged analysis of trade receivables, presented based on the dates of delivery of goods/rendering of franchising service:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 90 days	**157,140**	40,439
91 to 180 days	**22,042**	3,903
181 to 365 days	**14,647**	700
Over 365 days	**274**	632
	194,103	45,674

The management of the Group closely monitors the credit quality of trade and other receivables and consider the debts are of a good credit quality.

The Group allows a credit period of 30 days to its franchisees for the royalty and franchising business and a credit period of 18 months to its franchisees for sales of equipment.

As at 31 December 2025 and 30 June 2026, the amount of debtors, included in the Group's trade receivables balances that are past due, is insignificant and the Group is satisfied with the subsequent settlements and the credit quality of these customers had not seen deteriorated.

11. TRADE AND OTHER PAYABLES

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Trade payables *(Note (i))*	**273,791**	249,095
Deposits *(Note (ii))*	**113,367**	119,678
Other payables	**56,904**	69,141
Other tax payable	**43,882**	31,317
Payroll payable	**32,349**	58,282
Operational support service fees *(Note (iii))*	**22,602**	24,049
Dividends payable to non-controlling interest	**11,220**	–
	554,115	551,562

Notes:

(i) The outstanding payables mainly represent the amounts payable to suppliers of the finished goods and equipment as at 31 December 2025 and 30 June 2026.

(ii) These amounts represent deposits received from franchisees which will be refunded at the end of their respective franchise periods unless renewals were made.

(iii) The amounts mainly represent service fees payable to regional agents for assisting the Group to provide operational support services mainly in relation to the franchise network in newer regions and also managing and maintaining those corresponding franchisees based on the regional agency contracts.

The credit period of trade payables is generally from 30 to 90 days from the invoice date.

The following is an aged analysis of trade payables presented based on the invoice date:

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Within 90 days	**268,480**	244,722
91 to 365 days	**4,979**	4,042
Over 365 days	**332**	331
	273,791	249,095

12. SHARE-BASED PAYMENTS

On 27 June 2023, the Group has adopted the pre-IPO employee incentive scheme (the "**Pre-IPO Employee Incentive Scheme**") and established a limited partnership, Tongchuang Gongjin, as the pre-IPO employee incentive platform, with a view to improve the enthusiasm and creativity of the eligible participants of the Pre-IPO Employee Incentive Scheme (the "**Eligible Participants**"), promoting the sustainable growth of the performance of the Group, bringing value-added benefits to the Eligible Participants while enhancing the value of the Group, and thus realising the common development of both the Eligible Participants and the Group. Tongchuang Gongjin had, in turn, subscribed for 638,600 shares, representing approximately 0.4802% of the total issued shares (as at the date of the adoption of the Pre-IPO Employee Incentive Scheme), including the redeemable shares with other preferential rights.

The Eligible Participants, as limited partners of the pre-IPO employee incentive platform, shall subscribe for partnership interest therein according to the amount approved by the board of directors of the Company, and make the corresponding contribution in accordance with the arrangement of the board of directors of the Company, thereby holding indirect interest in the shares of the Company.

The corresponding interests in Tongchuang Gongjin were granted to Eligible Participants on 10 August 2023 and all contribution payments have been paid in full. The Eligible Participants made aggregate contribution payments of RMB29,433,000 into the pre-IPO employee incentive platform, which in turn subscribed for 638,600 shares of the Company. The subscription price per each corresponding share underlying the awards granted, after Share Subdivision, would be RMB4.609 per share.

The shares of the Company shall subject to transfer restrictions and such restrictions shall be released in the following manner:

- 30% of the total number of shares shall be released from transfer restrictions from the business day following the first anniversary of the date of listing to the last business day right before the second anniversary of the date of listing;

- 30% of the total number of shares shall be released from transfer restrictions from the business day following the second anniversary of the date of listing to the last business day before the third anniversary of the date of listing; and

- 40% of the total number of shares shall be released from transfer restrictions from the business day following the third anniversary of the date of listing to the last business day before the fourth anniversary of the date of listing.

In addition to the timetable sets forth above, the release of the shares shall be further subject to the achievement of the certain performance targets of the Company and the grantee respectively (individually and collectively, the "**Performance Target(s)**"). The remuneration committee of the board of directors of the Company shall review and determine the fulfilment of the Performance Target(s), and report to the board of directors of the Company accordingly.

The table below discloses movement of the Pre-IPO Employee Incentive Scheme during the period:

	Number of shares
Outstanding as at 1 January 2025 and 30 June 2025	5,475,000
Release of transfer restrictions completed	(1,153,400)
Outstanding as at 31 December 2025, 1 January 2026 and 30 June 2026	4,321,600

The fair value amounted to RMB37,147,000 of the aforesaid granted shares at grant date, after net of the cash consideration received would be recognised as expense on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

During the current interim period, the Group recognised total corresponding share-based payment expense of RMB3,585,000 (six months ended 30 June 2025: RMB7,433,000).

By order of the Board
Sichuan Baicha Baidao Industrial Co., Ltd.
Mr. WANG Xiaokun
Executive Director and Chairman of the Board

Chengdu, the PRC, 28 August 2026

As at the date of this announcement, the Board of the Company comprises Mr. Wang Xiaokun, Mr. Wang Hongxue, Ms. Dai Li and Mr. Chen Keyuan as executive Directors; Dr. Chen Da as non-executive Director; and Mr. Yeung Chi Tat, Dr. Tang Yong and Ms. Cheng Li as independent non-executive Directors.