百望股份有限公司
BAIWANG CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 6657

2025
Annual Report

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Chen Jie *(Chairlady)*
Mr. Zou Yan
Ms. Jin Xin

Non-executive Directors

Mr. Huang Miao
Mr. Diao Juanhuan

Independent Non-executive Directors

Mr. Tian Lixin
Dr. Wu Changhai
Dr. Song Hua
Mr. Ng Kwok Yin

SUPERVISORS

Mr. Li Yunfeng
Ms. Shi Haixia
Mr. Luo Wenhong

AUDIT COMMITTEE

Mr. Ng Kwok Yin *(Chairman)*
Mr. Tian Lixin
Dr. Song Hua

REMUNERATION AND APPRAISAL COMMITTEE

Dr. Wu Changhai *(Chairman)*
Mr. Zou Yan
Mr. Ng Kwok Yin

NOMINATION COMMITTEE

Ms. Chen Jie *(Chairlady)*
Dr. Song Hua
Mr. Tian Lixin

COMPANY SECRETARY

Ms. So Lai Shan

H SHARE REGISTRAR

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

AUTHORIZED REPRESENTATIVES

Ms. Chen Jie
Ms. So Lai Shan

AUDITOR

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors
Unit 1–7, 43/F
Cosco Tower
183 Queen's Road Central, Sheung Wan
Hong Kong

CORPORATE INFORMATION

COMPLIANCE ADVISOR

Guotai Junan Capital Limited
26/F-28/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

REGISTERED OFFICE IN THE PRC

14/F & 15/F, Building No. 1
Division 1, No. 81 Beiqing Road
Haidian District
Beijing
PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

14/F & 15/F, Building No. 1
Division 1, No. 81 Beiqing Road
Haidian District
Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1901, 19/F Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

PRINCIPAL BANKS

Bank of Beijing, Weigongcun Branch
1/F, Zhongyang Building
No. 25 Zhongguancun South Avenue
Haidian District
Beijing
PRC

China Minsheng Bank, Beijing Shangdi Branch
1/F, Building No. 4
Division No. 1, Shangdi Dongli
Haidian District
Beijing
PRC

Industrial and Commercial Bank of China,
Beijing
Yongding Road Branch
No. 27 Taiping Road
Haidian District
Beijing
PRC

HONG KONG LEGAL ADVISER

Clifford Chance
27/F, Jardine House
One Connaught Place
Central
Hong Kong

COMPANY'S WEBSITE

www.baiwang.com

STOCK SHORT NAME

BAIWANG CO

STOCK CODE

6657

CHAIRLADY'S STATEMENT

Dear Shareholders,

The year of 2025 marks a milestone in the history of Baiwang. As the world rapidly advances toward the AI 2.0 era, Baiwang successfully listed on the Main Board of the Hong Kong Stock Exchange and marked the 10th anniversary of its establishment. Standing at a strategic turning point in the digital economic revolution, we are taking the electronic invoice – the smallest unit that embodies the "true value of transactions"– as our strategic starting point. We are elevating it to serve as the cornerstone for building a commercial credit system, thereby fully launching our strategic transition from a "provider of digital and intelligent financial and tax services" to "China's largest builder of a dynamic corporate credit database." We present our annual key progress updates and strategic blueprint to you.

I. ASSESSING THE TIMES: WITH THE CONVERGENCE OF FOUR DRIVING FORCES, A NEW WINDOW OF OPPORTUNITY HAS OPENED

In 2025, AI is profoundly reshaping the software industry. Software is evolving from "software for human use" to "software for use by both humans and machines, with machine invocation gradually becoming predominant", and future software products must be capable of being understood, invoked, embedded and executed by various Agents. At the same time, four forces are resonating in sync: Phase IV of the Golden Tax Project, through "tax governance through data", is reshaping the logic of national governance; AI Agents are penetrating complex business scenarios of enterprises; high-value data has become the critical fuel and digital productivity of the AI era; and global electronic invoicing and cross-border tax coordination continue to advance. Policies are reshaping the rules, data is redefining credit, AI is rewriting execution, and globalization is rebuilding connections – as these multiple forces converge and amplify one another, a new era has dawned.

II. STRATEGIC UPGRADE: BUILDING FOUR CORE COMPETITIVE ADVANTAGES FOR THE FUTURE

Seizing the opportunities of the times, Baiwang has carefully assessed the situation and established four core competitive advantages for the future:

First, the deepening of "data-driven tax administration," with transaction value emerging as the foundation of commercial credit. As the Value-added Tax Law of the People's Republic of China comes into force and Golden Tax Phase IV continues to advance, tax governance in China is accelerating its shift from "invoice-based tax administration" to "data-driven tax governance". Enterprises are entering a new stage of "full transaction transparency, penetrable data and traceable risks", where compliance capability is competitiveness. As a key data point that records business transactions, tracks cash flows, and reflects tax obligations, invoices are increasingly becoming a vital foundation for commercial credit assessments. Leveraging the high-frequency, essential use case of electronic invoices, Baiwang has established the capability to continuously capture authentic transaction data – where the use case serves as the entry point, authentic transactions form the foundation, and continuous service acts as the connecting link.

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Second, high-value data has become the key fuel and digital productivity of the AI era. As a critical data point in business transactions, invoices span marketing, procurement, supply chain management, goods distribution, financial transactions, financing needs, and tax obligations, and are deeply embedded in various aspects of a company's actual operations. One of Baiwang's key strengths lies in its extensive repository of large-scale, authentic, continuous, and structured transaction data asset. These data can be continuously accessed, verified and computed, and ultimately accumulated into digital productivity that can be modelled, analysed and intelligently utilised. Leveraging its in-depth understanding of invoice big data and its ability to facilitate data circulation and monetization across various application scenarios, Baiwang has rapidly grown into a comprehensive data service provider, with its data capabilities generating increasingly powerful compounding effects.

Third, as AI enters the phase of vertical search and intelligent execution, the underlying logic of business is being reshaped. Content is search; search is commerce; commerce is taxation. In this new era featured by token-based valuation, computing power-driven operations, and data-driven pricing, AI is reshaping the transaction process. As more and more processes that rely on human intervention are being streamlined, condensed, and automated, the dynamic characterization of corporate credit has become more important than ever, and the new competitive landscape is rapidly shifting toward mastery of "sovereign interfaces" and "credit interfaces". The procurement relationships, goods flow, and transaction structures reflected in invoices enable us to accurately identify a company's position, stability, and creditworthiness within industrial and supply chains. Baiwang is transforming corporate credit from a static record into a dynamic, actionable capability.

Fourth, while trade knows no borders, taxation is a matter of sovereignty – global digital trade has entered a phase of competing for sovereignty and credit limit dominance. While transactions can take place rapidly on a global scale, tax obligations must still be identified, reported, and fulfilled within specific countries and jurisdictions. Cross-border compliance is emerging as a key driver of growth in the era of digital trade. Baiwang is accelerating its international expansion, extending its domestic regulatory technology capabilities to support global compliance collaboration. It is moving from domestic financial and tax scenarios toward a global credit network, and from data-driven capabilities toward a global intelligent service network, thereby unlocking new growth opportunities.

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III. CORE OBJECTIVE: TO BUILD CHINA'S MOST ROBUST AND RELIABLE DYNAMIC CORPORATE CREDIT DATABASE

These four competitive advantages all point toward a single strategic goal: to build China's most robust and reliable dynamic corporate credit database based on real transaction data.

In the world of the personal internet, an individual's location, behavior, preferences, and risk profile can be continuously identified and profiled; however, in the corporate world, this capability has long been lacking. Corporate credit assessments currently rely on static business registration data, infrequent financial reports, and outdated records, making it difficult to quickly and accurately identify a company's true operational quality and dynamic risks. What Baiwang seeks to do is to build dynamic enterprise profiles and an enterprise credit system based on electronic invoices and enterprise transaction data, so that enterprises can also be continuously identified, evaluated, computed and invoked, thereby forming a commercial credit capability system serving enterprise transactions, credit, financing and operational decision-making.

To this end, we have developed our proprietary "Three Dimensions and Five Relationships" foundational methodological framework – which combines three fundamental dimensions (enterprises, products, and individuals) with five core relationship types (transactional, product-based, institutional, financial, and employment relationships) – to provide a more comprehensive, dynamic, and quantifiable representation of business operations. Building on this foundation, we developed a "Corporate Credit and Operational Quality Evaluation Model" comprising 5 primary indicators and 36 secondary indicators, which ultimately resulted in the creation of a unified corporate credit code database. This coding library serves as Baiwang's credit hub, providing unified representation, access, and output. It comprehensively reflects a company's operational quality, creditworthiness, and structural value, and lays the foundation for subsequent productization, service integration, and large-scale deployment.

IV. PRODUCT PORTFOLIO AND BUSINESS MODEL: FROM CREDIT CAPABILITY TO SCALABLE GROWTH

Centered around the corporate credit code database, we have comprehensively upgraded our existing product portfolio to create a product matrix tailored to different customer segments and use cases. Among these, fintech is the sector where credit capabilities have first realized their value, having already established a self-sustaining revenue model. We have further expanded to form five major product lines: BaiLian (Relationship Identification/Transaction Network), BaiXin (Credit Assessment/Risk Decision-making), BaiCe (Operational Analysis/Decision Support), BaiBao (Digital Employees/Professional Tools) and BaiDa (Agent Orchestration/Intelligent Execution), delivering credit capabilities with precision to a wide range of scenarios, including finance, marketing, risk control and operational decision-making. Products such as BaiBao – AI Tax Advisor and BaiDa – AI Business Advisor (Financial Edition) are already being steadily rolled out.

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At the business model level, Baiwang is completing a systematic restructuring of its product forms, capability foundation and business model: on the X-axis – the end-to-end intelligent execution matrix – product forms are evolving from software into Bots, Agents and various intelligent workflows that can be invoked by AI Agents, thereby entering more operating scenarios; on the Y-axis – four-tier commercialization progression curve: revenue structure evolves into a four-tier model comprising subscription revenue, data revenue, AI agent call revenue, and global ecosystem service revenue, significantly raising the growth ceiling; on the Z-axis – the core data and technology foundation – consists of a unified credit coding engine, the "Three Dimensions and Five Relationships" transaction ontology repository, B-end and C-end databases, knowledge graphs, RAG and a cluster of specialised Agents, ensuring that data assets can be transformed into corporate credit capabilities and intelligent execution capabilities.

V. LOOKING AHEAD TO 2026: FULL-SCALE IMPLEMENTATION OF FOUR MAJOR STRATEGIC DIRECTIONS

Looking ahead to 2026, Baiwang will focus its efforts on four key areas, namely globalization, data, credit and intelligence, to form a strategic closed loop in which "data forms the foundation, credit forms the core, intelligence completes delivery, and globalization opens up new opportunities":

Global Compliance – accelerating the development of the Tax Swift global virtual tax platform, building a global compliance infrastructure for multiple jurisdictions, multiple nodes and multiple partners, and serving enterprises going global and the coordination of global digital trade.

Data Elements – deepening our capabilities in data governance and circulation, committed to becoming a leading comprehensive data service provider (data merchant) in China and fully unleashing the multiplier effect of data elements.

Commercial Credit – with a corporate credit code database as the core, building a corporate commercial credit and transaction decision-making platform to drive fintech from "static standalone risk control" to "dynamic panoramic ecosystem-based risk control", providing differentiated services to banks, insurance companies, government agencies and corporate customers, and driving growth in revenue with high gross profit margins.

Intelligent Delivery – Leveraging BaiDa and BaiBao, driving the large-scale deployment of AI digital employees across scenarios such as marketing, procurement, compliance, risk management, trading, and business analytics, and continuously expanding our library of reusable Skills modules to transform specialized expertise into intelligent productivity.

CHAIRLADY'S STATEMENT

OUTLOOK AND APPRECIATION

Dear Shareholders, Baiwang's ten-year journey has been a history of evolution from "connecting bills" to "connecting data", and now to aspiring to "connect credit". Looking ahead, Baiwang will further grow into an important builder of enterprise credit infrastructure, digital productivity platforms and global compliance networks.

This transformation is reshaping existing business models, product forms, and transaction pathways; this venture is not only aimed at the global market, but also at securing a strategic foothold in the areas of credit interfaces and tax sovereignty. As real-world transactions are continuously processed, corporate credit is dynamically assessed, and professional expertise is intelligently delivered, Baiwang's value in this new era is just beginning.

We are confident that, underpinned by a clear strategy, a solid moat and efficient execution capabilities, we will create long-term and sustainable value for our shareholders, customers and partners on this new track. Thank you for your trust and support!

Baiwang Co., Ltd.
Chen Jie
Chairlady
March 24, 2026

RESULTS HIGHLIGHTS

	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	**2025** **RMB'000**
Revenue	453,763	525,765	712,996	659,212	**728,596**
Gross profit	216,163	214,290	282,031	263,423	**308,132**
Operating loss	(198,148)	(112,350)	(305,106)	(202,818)	**(33,857)**
Loss and total comprehensive expense for the year	(448,373)	(156,224)	(359,290)	(501,316)	**(10,205)**
Adjusted net profit/(loss) (non-IFRS measure)(1)	(16,739)	(70,295)	(83,412)	(116,034)	**3,078**
Total assets	1,325,859	1,260,717	1,151,869	1,215,931	**1,137,578**
Total Liabilities	2,413,561	2,494,174	2,553,552	280,961	**206,240**
Total equity/(deficits)	(1,087,702)	(1,233,457)	(1,401,683)	934,970	**931,338**
Net current assets/(liabilities)	510,729	(1,545,433)	(1,593,900)	665,808	**601,509**

Note:

(1) Adjusted net profit/(loss) (non-IFRS measure) represents loss for the year adjusted by adding share-based payment expenses, listing expenses, fair value changes of financial liabilities at FVTPL relating to shares with preferential rights issued by the Company, and other non-recurring losses, which are non-cash or non-recurring in nature. Share-based payments are non-cash expenses arising from granting share economic rights in our share incentive platforms to senior management and employees. Listing expenses were incurred in connection with the Global Offering. Fair value changes of financial liabilities at FVTPL represent fair value changes relating to shares with preferential rights issued by the Company. The Company does not expect to record any fair value changes in such instruments following the completion of the Global Offering. Other non-recurring losses for the current year represent a one-time loss incurred from the liquidation of associates in which we invested.

MILESTONE EVENTS

The following table illustrates our major business milestones:

2015	Our Company was incorporated in May
	Baiwang Cloud was launched in September
2016	We assisted Taobao with the establishment of its "Ali Invoice Platform"
2017	We were elected in January as the group leader of Electronic Invoices Group (電子發票組) of China Electronic Documents Management Promotion Union (中國電子文件管理推進聯盟), an industrial organization promoted by users of electronic documents, enterprises, education institutions and research institutions in the area of electronic documents management in China
2018	We were named as a China and Zhongguancun Unicorn Company (中國暨中關村獨角獸企業) by Great Wall Enterprise Institute (北京長城企業戰略研究所) for the first time in March
2019	We were named as a unicorn company with a valuation over US$1.0 billion by CB Insights, a reputable business analytics platform and global database that provides market intelligence on private companies and investor activities
	We were named as a "Top 100 Technology Innovation Enterprise 2019 (2019中國科創百強企業)" by China Entrepreneur (《中國企業家》) magazine in July
2020	We ranked the first in terms of customers' satisfaction in electronic invoices industry in 2020 China IT Users' Satisfaction Survey (2020年中國IT用戶滿意度調查) conducted by CCW Research (計世咨詢) in January
2021	We won the bidding for the contract of upgrade of VAT invoices management system (tax control sector) under the SAT's Third Phase of Golden Tax Project in January
	We were granted "2021 Digitalization Transformation Innovative Enterprise Award (2021數字化轉型創新企業獎)" in June by several institutions including, among others, Information Research Center, Chinese Academy of Social Sciences (中國社科院信息化研究中心)

MILESTONE EVENTS

2022	We were named as a "Beijing Specialized, Sophisticated, Unique and New'Little Giant' Enterprise (北京市專精特新"小巨人"企業)" by Beijing Municipal Bureau of Economy and Information Technology (北京市經濟和信息化局) in March
	We won the bidding for the contract of the SAT's pilot project of establishment and application of tax blockchain infrastructure platform jointly with other collaborators in September
2023	We were named as a "China and Zhongguancun Unicorn Company (中國暨中關村獨角獸企業)" by Great Wall Enterprise Institute (北京長城企業戰略研究所) for the sixth consecutive year
2024	In July, we were successfully listed on the Stock Exchange, with our Shares becoming the "first stock in tax digitalization solutions" on the Stock Exchange
2025	In February, we signed a cooperation agreement with the National Information Center (國家信息中心) to build the national public data resource registration platform, launching our "Data Intelligence" strategy
	In July, at the 2025 World AI Conference, we won the "AI Solutions for SME"
	In October, at the "Straight to Wuzhen" Global Internet Competition of the 2025 World Internet Conference, we won the Grand Prize with the Rui Jie financial business intelligent agents
	In November, we ranked first in China's fiscal and tax data intelligence platform and service market in 2024, according to the 2025 China Data Intelligence Market Research Report compiled by CCID Consulting Company Limited.
	In December, we completed the H Shares full circulation

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND OUTLOOK

I. Macro Opportunities and the Company's Strategic Positioning

In 2025, the global political and economic landscape, national governance logic, and artificial intelligence technology paradigms were evolving simultaneously. Enterprise digitalization was accelerating its shift from "process digitization" towards "data credit orientation" and "intelligent execution." For the Company, 2025 represents both a critical inflection point for operational recovery and strategic restructuring, and a pivotal year for systematically transforming its long-accumulated data assets, industry expertise, and scenario-based service capabilities into new growth drivers.

(I) "Data-Driven Taxation" is being comprehensively deepened, and tax compliance is becoming critical infrastructure for business operations.

With the formal implementation of the Value-Added Tax Law of the People's Republic of China, the ongoing advancement of the "Golden Tax Phase IV" project, and the continuous enhancement of digital, real-time, and collaborative tax collection and administration capabilities, China's tax governance has transitioned from the traditional "invoice-based control" to a new stage of "data-driven taxation." The correlation and validation between invoices, declarations, transactions, payments, and business activities are becoming increasingly stringent. The impact of tax compliance on corporate financing capacity, supply chain participation, customer access, cross-border operations, and operational resilience continues to deepen.

In this context, the essence of the invoice has undergone a profound transformation. It is no longer merely a tax-related certificate but has become the most authentic, most-frequently, and most structured digital ledger of enterprise transactions. It records business flows, reflects fund flows and tax obligations, and serves as a key data node connecting business operations, credit assessment, and regulatory governance.

For the Company, the development opportunity arising from this change lies not only in the expansion of the intelligent tax and finance digitalization market but, more importantly, in the Company's ability to leverage its long-accumulated authentic transaction data to participate in the reconstruction and continuous improvement of the enterprise credit system, industrial chain collaboration system, and financial risk control system.

(II) The reform of data elements is accelerating its implementation, and the credit value of authentic transaction data is entering a release cycle

In 2025, guided by the National Data Administration's efforts to promote market-oriented allocation reforms for data elements, the establishment of local data groups and public data authorized operation platforms continued to deepen. The data element market was gradually progressing from institutional design to practical application. The capabilities for data assetization, creditization, and scenario-based operation were increasingly becoming vital components of core corporate competitiveness.

MANAGEMENT DISCUSSION AND ANALYSIS

Against this backdrop, the value of the Company's long-accumulated data resources such as invoices, documents, and certificates becomes even more prominent. These data, spanning the entire transaction process, contain key information including "who traded with whom, what was traded, the amounts and taxes involved, and whether transactions were continuous and stable." They can accurately depict a company's operational status, position within the industrial chain, and commercial creditworthiness.

Simultaneously, as one of the primary technical support providers for the China's National Platform for Public Data Resource Registration, the Company possesses the unique capability to cross-verify, jointly model, and deliver scenario-based outputs by integrating authentic enterprise transaction data with government public data. The Company not only holds high-quality core data resources but also possesses the capability to transform data into credit products, industry tools, and decision-support services. This constitutes the Company's core competitive advantage, distinguishing it from general data service providers.

(III) The development of AI and intelligent agents is accelerating, yet the key to industry competition remains data depth and scenario-specific capabilities

In 2025, AI agents were accelerating their entry into enterprise application scenarios, and the enterprise service model was evolving from "information tool delivery" to "intelligent outcome delivery." At this stage, the value of AI was primarily manifested in improving data utilization efficiency, enhancing intelligent decision-making capabilities, and optimizing scenario delivery methods, rather than replacing data itself as the sole source of corporate competitiveness.

The Company does not position itself as a general-purpose AI technology company. Compared to model providers, computing power companies, or general-purpose agent platforms in the market, the Company focuses more intensely on leveraging authentic transaction data to deeply penetrate complex scenarios such as enterprise credit identification, risk assessment, operational recommendations, and compliance execution, while using intelligent tools to enhance delivery efficiency and customer value.

Therefore, the Company's AI investments and agent development are consistently aligned with the overarching goal of releasing data value. For the Company, AI serves as a technological means to connect data, models, rules, and business processes, and is a crucial method for achieving scalable delivery. However, the Company's strategic core remains its data and credit capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

(IV) The pace of global digital tax governance is accelerating, making cross-border compliance capabilities a new critical infrastructure battleground

Globally, e-invoicing, real-time tax verification, and automated audits are rapidly gaining adoption. The development of global digital trade is extending corporate competition beyond logistics, payment, and channel capabilities to include transaction visibility, tax verifiability, and credit accessibility. The core demands of cross-border operations are increasingly concentrated on transaction confirmability, compliance executability, and risk manageability across jurisdictions.

Leveraging its profound regulatory technology experience, massive invoice data governance capability, and enterprise service foundation, the Company is continuously advancing the development of the TaxSwift global compliance platform. It is gradually forming an integrated service capability for cross-border trade encompassing "transaction-invoice-declaration-risk control-credit." For the Company, global expansion is not merely replicating domestic products but extending the data governance, rule engine, and complex scenario service capabilities accumulated in the Chinese market into cross-border compliance infrastructure capabilities.

The Company firmly believes that in this round of industrial transformation, what truly determines long-term corporate competitiveness is not model capability or general-purpose technology per se, but rather whether a company possesses authentic, continuous, and structured industrial data, and the capability to transform that data into credit, decision-making, and scenario value.

Consequently, the Company is strategically positioned as a data company rooted in authentic transaction data, centered on enterprise commercial credit capability, and utilizing intelligent tools and agents to achieve scalable delivery.

The Company's core competitiveness is primarily reflected in the following four areas:

1. *Authentic transaction data foundation*

The Company possesses the most authentic, highest-frequency, and most difficult-to-falsify transaction ledgers from business operations, which is the starting point for all its credit and scenario service capabilities.

2. *Data governance and relationship modeling capability*

The Company can transform massive heterogeneous data into identifiable, connectable, interpretable, and computable data assets, continuously building enterprise relationship networks and dynamic credit capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

3. *Enterprise credit and decision productization capability*

The Company can transform data capabilities into high-value products and solutions for scenarios such as finance, business operations, government governance, and cross-border compliance, achieving sustained commercial output.

4. *Intelligent delivery and scenario execution capability*

AI technology, agent platforms, and digital employee systems are important methods for the Company's productization and scalable delivery, used to enhance judgment efficiency, service efficiency, and execution efficiency in complex scenarios.

II. Operational Overview and Financial Inflection Point

(I) Significant improvement in operations and financial condition, and initial success of strategic transformation

In 2025, the Company fully implemented its dual-driver strategy of "Data Capability Building" and "Scenario Productization." Through in-depth operational adjustments and organizational restructuring, it successfully achieved a phased inflection point in operational quality. Key financial and operational results were significant:

1. *Revenue growth and structural optimization:*

In 2025, its annual operating revenue reached RMB728.6 million, a year-on-year increase of 10.5%. The intelligent agent product line generated revenue of RMB211.4 million, successfully achieving a breakthrough from zero to scalable revenue. Its revenue from the high-value Data+AI intelligent solutions reached RMB149.7 million, marking the substantive launch of the second growth curve and driving the business structure towards higher value-added directions.

2. *Fundamental recovery in profitability:*

In 2025, its annual net loss was RMB10.0 million, a year-on-year reduction of 98.0%. Furthermore, adjusted net profit turned positive. Driven by a RMB53.9 million increase (100% growth) in gross profit from the AI business, a RMB30.9 million increase (21.6% growth) in gross profit from the tax and finance digitalization solutions, and stringent cost efficiency optimization, the overall gross profit margin increased by 2.3 percentage points.

3. *Comprehensive strengthening of operational foundation:*

Organizational restructuring and technological efficiency improvements worked in tandem to systematically enhance customer satisfaction, delivery efficiency, and internal collaboration efficiency. The three-expense ratio decreased from 65.5% in 2024 to 45.1% in 2025, a reduction of 20.4 percentage points. Revenue per employee increased by 28%.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) Three key drivers of financial improvement

1. The fundamentals remained stable and improved in quality: The core tax and finance digitalization business achieved steady revenue and gross margin growth by elevating customer service, focusing on word-of-mouth promotion, and deepening customer structure and service capabilities. This provided source foundation of cash flow, customers, and data for the Company's strategic transformation.

2. Rapid growth of the second curve: Data and credit-related businesses, such as Data+AI, achieved a breakthrough in scalable revenue. Their high gross margins and renewal potential became a new engine driving the Company's overall profit margin and growth quality, validating the direction of the strategic transformation.

3. Dual transformation in organization and efficiency: Through organizational structure optimization, refined operational management, and the deep application of intelligent tools across the entire business chain, the Company achieved scalable cost reduction and systematic efficiency gains, effectively supporting the comprehensive improvement in gross margin and operational quality.

(III) Massive authentic data resources maintain the leadership, building a difficult-to-replicate core moat

The Company has built a data foundation based on massive, high-frequency, and continuous authentic transaction data, forming significant scale barriers and network effects. As of December 31, 2025, the Company's core data metrics were as follows:

Data Metric	Cumulative Scale
Taxpayer Identification Numbers Served	Over 96.4 million
Enterprise Group Clients	2,928
SME Clients	30.7 million
Cumulative Invoices Processed	Approximately 26.05 billion
Corresponding Total Transaction Value	RMB1,188.0 trillion

These authentic, structured, and closed-loop transaction data constitute the Company's core strategic asset, distinguishing it from general-purpose AI or traditional SaaS vendors. They not only serve as the fuel and foundation for the Company's current credit and intelligent services but also form the core barrier for supporting complex scenario decision-making and building trustworthy commercial infrastructure in the AI Agent era.

MANAGEMENT DISCUSSION AND ANALYSIS

III. The Company's Data Capability Hub and Product System

(I) Baiwang Enterprise Trust Code: From static profiling to dynamic networks, reconstructing enterprise credit cognition

Using enterprises, goods, and individuals as three-dimensional entities, and transaction relationships, goods relationships, institutional relationships, employment relationships, and financial relationships as five core relationship types, the Company continuously constructs enterprise network relationship graphs and operational momentum systems. Through this framework, the Company can more authentically identify an enterprise's ecological niche, degree of upstream/downstream dependence, product penetration capability, institutional exposure, organizational stability, financial accessibility, and risk transmission pathways. The result is no longer a static profile but the enterprise's "position" and "momentum" within the real-world network.

(II) BaiChain, BaiTrust, BaiStrategy: The underlying core data capability hub

Based on its self-developed X-Engine semantic engine and continuously accumulated data governance capabilities, the Company has formed a core underlying data capability hub comprising BaiChain, BaiTrust, and BaiStrategy:

1. *BaiChain: Industrial chain relationship graph and operational momentum foundation*

   It constructs a graph database covering 130 million nodes and 450 million edges, forming a panoramic network that spans upstream/downstream relationships, transaction intensity, and industrial connections. This provides foundational support for financial risk control, industrial research, and customer insight.

2. *BaiTrust: Dynamic commercial credit assessment system*

   It outputs continuously updatable commercial credit profiles based on high-frequency signals such as authenticity and continuity of transactions, counterparty quality, network position, and operational volatility. Its core value lies not only in identifying risks but also in identifying truly high-quality enterprises worthy of cooperation, allocation, and support.

3. *BaiStrategy: Operational decision and action recommendation hub*

   It constructs datasets for three core entities, i.e., enterprises, natural persons, and goods, and accumulates over 2,000 types of tags. It empowers clients to move from "viewing reports" to "making judgments," and from data querying to operational recommendations and action assistance.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) JinDun, RuiJie, WenShu: Three major intelligent agent product lines

Relying on the core capabilities of BaiChain, BaiTrust, and BaiStrategy, and combined with AI technology, the Company delivers scalable, intelligent value through three major intelligent agent solution product lines, i.e., JinDun, RuiJie, and WenShu, in specific scenarios such as tax and finance, finance, and operational management.

(IV) BaiDa and BaiBao: Two major product brands

During the Reporting Period, the Company formed two major product brands: "BaiDa" for B2B enterprise scenarios and "BaiBao" for lightweight scenarios.

1. BaiDa: For fintech and business operation scenarios, it transforms dynamic credit capabilities into executable business judgments such as marketing and customer acquisition, credit assistance, post-loan monitoring, risk warning, and operational recommendations.

2. BaiBao: For tax, finance, and inclusive scenarios, it provides professional intelligent agents and digital employee capabilities.

IV. Outlook

Looking ahead, the Company is transitioning from a tax and finance digitalization service provider to an infrastructure provider for enterprise commercial credit and intelligent execution, and continuously advancing towards a data intelligence platform for the global market.

The Company is rooted in authentic transaction data, possesses China's largest enterprise credit database as a strategic asset, utilizes the Baiwang Enterprise Trust Code as its core technological foundation, offers a product matrix comprising BaiChain, BaiTrust, BaiStrategy, BaiBao, and BaiDa, employs intelligent agents and digital employees as delivery methods, and uses fintech, comprehensive data merchant services, and a global compliance network as value amplifiers.

Centered on this positioning, the Company will focus on advancing four key directions in the future:

(I) Building an enterprise commercial credit and transaction decision platform centered on BaiTrust.

Focusing on authentic transaction data and integrating BaiChain and BaiStrategy, the Company will gradually form an integrated platform spanning relationship identification, credit assessment, and operational decision-making. Particularly in the financial industry, dynamic enterprise credit and relationship networks will profoundly change customer identification, credit granting, risk control, and post-loan management methods. This is also the core differentiating capability of Baiwang's fintech segment compared to traditional financial data services and traditional enterprise credit reporting models.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) Building an enterprise-level digital employee system to promote the scalable delivery of digital productivity.

The Company will continue to advance the development of professional intelligent agent products for scenarios such as tax services, business operations, financial risk control, and compliance execution. What the Company delivers is not generalized conversational ability but professional agents based on authentic transaction networks and dynamic credit capabilities, endowing them with stronger judgment, execution, and outcome delivery capabilities.

(III) Becoming a comprehensive data provider, strengthening data element collaboration and circulation monetization capabilities.

Currently, the Company has participated in the construction of the national-level public data resource registration platform, and 16 provincial-level public data resource registration platforms, and has established cooperative relationships with multiple provincial/municipal data groups and data exchange institutions. This provides the Company with a critical foundation for bridging the value loop of "public data – transaction data – commercial application."

(IV) Building a global regulatory technology platform, creating cross-border compliance and credit infrastructure.

The Company will extend the regulatory technology, rule engine, and engineering capabilities accumulated domestically over the long term into product and infrastructure capabilities for the global market, gradually forming a cross-border compliance service network covering multiple jurisdictions, partners, and nodes. The strategic significance of the TaxSwift platform under development lies not only in serving enterprises going global but also in securing a key foothold within the new infrastructure of global digital trade. Future competition in cross-border trade will increasingly depend on whether transactions are visible, taxes are verifiable, and credit is provable. Whoever can effectively connect "sovereign interfaces" with "credit interfaces" will have the opportunity to enter a core position in the next round of restructuring global digital trade infrastructure.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The following discussions are based on the financial information and notes set out in other sections of this annual report and should be read in conjunction with them.

Revenue

Our revenue increased by 10.5% from RMB659.2 million for the year ended December 31, 2024 to RMB728.6 million for the year ended December 31, 2025. The following table sets forth a breakdown of our revenue, both in absolute amounts and as a percentage of total revenue, by business line for the years indicated.

	Year ended December 31,			
	2025		2024	
	RMB'000	Percentage of total revenue (%)	RMB'000	Percentage of total revenue (%)
AI business	**211,373**	**29.0**	–	–
– Jin Dun (金盾) transaction management intelligent agents	**160,124**	**22.0**	–	–
– Rui Jie (睿界) financial business intelligent agents	**39,008**	**5.4**	–	–
– Wen Shu (問數) operational decision-making intelligent agent	**12,241**	**1.7**	–	–
Cloud financial & tax digitalisation solutions	**210,159**	**28.8**	208,901	31.7
On-premises financial & tax digitalisation solutions	**157,693**	**21.6**	144,990	22.0
Data-driven analytics services	**147,384**	**20.2**	304,674	46.2
Others	**1,987**	**0.3**	647	0.1
Total	**728,596**	**100.0**	659,212	100.0

- *AI business*. Our AI business encompasses the "Jin Dun" (金盾) Transaction Management Intelligent Agents, the "Rui Jie" (睿界) Financial Business Intelligent Agents, and the "Wen Shu" (問數) Operational Decision-Making Intelligent Agents, which combine Data+AI to apply our extensive high-quality transaction data resources and domain expertise in fiscal and tax fields to vertical AI model training. These solutions are fully integrated into enterprise and financial service scenarios, advancing AI applications in key areas including intelligent fiscal management, intelligent supply chains, intelligent transaction compliance, intelligent risk control, and intelligent financial marketing, enabling industrial and financial clients to maximize data value and capitalize on AI benefits. For the year ended December 31, 2025, our AI business generated revenue of RMB211.4 million, compared to nil in the same period in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

- *Cloud financial & tax digitalisation solutions*. Our cloud financial & tax compliance solutions comprise tax invoice compliance management solutions, financial and tax management solutions and supply chain collaboration solutions, which can be subscribed separately or in combination. Our revenue generated from cloud financial & tax digitalisation solutions remained stable compared to the same period, increasing from RMB208.9 million for the year ended December 31, 2024 to RMB210.2 million for the year ended December 31, 2025.

- *On-premises financial & tax digitalisation solutions.* Revenue generated from on-premises financial & tax digitalisation solutions primarily represented service fees generated by software license fees for customers to access and use our solutions, implementation and maintenance service fees, and hardware equipment purchase fees. Our revenue generated from on-premises financial & tax digitalisation solutions increased by 8.8% from RMB145.0 million for the year ended December 31, 2024 to RMB157.7 million for the year ended December 31, 2025, due to many market opportunities provided by the fourth phase of the digital electricity invoice reform of Golden Tax Project. During the Reporting Period, the delivery of projects connected to the electronic invoice service platform of the State Administration of Taxation through local deployment was higher than the same period last year, which brought about an increase in implementation fee income.

- *Data-driven analytics services.* Our data-driven analytics services primarily comprise risk management services and digital precision marketing services. Our revenue generated from data-driven analytics services decreased from RMB304.7 million for the year ended December 31, 2024 to RMB147.4 million for the year ended December 31, 2025, mainly due to that we strategically reduced the revenue proportion of low-margin digital precision marketing services.

- *Other services.* We recorded revenue generated from other services of RMB2.0 million for the year ended December 31, 2025. Other services primarily include financial and tax training services and advertising services.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales

Our cost of sales increased by 6.2% from RMB395.8 million for the year ended December 31, 2024 to RMB420.5 million for the year ended December 31, 2025. The following table sets forth a breakdown of our cost of sales by business lines for the years indicated.

	Year ended December 31,			
	2025		2024	
	RMB'000	**Percentage of total cost of sales (%)**	RMB'000	Percentage of total cost of sales (%)
Artificial intelligence business	**157,449**	**37.4**	–	–
– Jin Dun (金盾) transaction management intelligent agents	**144,151**	**34.3**	–	–
– Rui Jie (睿界) financial business intelligent agents	**11,769**	**2.8**	–	–
– Wen Shu (問數) Operational Decision-Making Intelligent Agent	**1,529**	**0.4**	–	–
Cloud financial and tax digitalisation solutions	**93,455**	**22.2**	99,798	25.2
On-premises financial and tax digitalisation solutions	**100,207**	**23.8**	110,816	28.0
Data-driven analytics services	**69,314**	**16.5**	184,136	46.5
Others	**39**	**0.0**	1,039	0.3
Total	**420,464**	**100.0**	395,789	100.0

Gross profit and gross profit margin

Our gross profit increased by 17.0% from RMB263.4 million for the year ended December 31, 2024 to RMB308.1 million for the year ended December 31, 2025. The gross profit margin for the year ended December 31, 2025 was 42.3%, as compared with 40.0% for the year ended December 31, 2024. The increase in gross profit margin was partly due to our strategic reduction of the proportion of low-margin business revenue, and partly due to AI-enabled low-code platforms, which have improved automation deployment and configuration capabilities, reduced delivery costs, and increased overall profit margins. The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the years indicated.

MANAGEMENT DISCUSSION AND ANALYSIS

	Year ended December 31,			
	2025		2024	
	RMB'000	Gross profit margin (%)	RMB'000	Gross profit margin (%)
Artificial intelligence business	**53,924**	**25.5**	–	–
– Jin Dun (金盾) transaction management intelligent agents	**15,973**	**10.0**	–	–
– Rui Jie (睿界) financial business intelligent agents	**27,239**	**69.8**	–	–
– Wen Shu (問數) Operational Decision-Making Intelligent Agent	**10,712**	**87.5**	–	–
Cloud financial and tax digitalisation solutions	**116,704**	**55.5**	109,103	52.2
On-premises financial and tax digitalisation solutions	**57,486**	**36.5**	34,174	23.6
Data-driven analytics services	**78,070**	**53.0**	120,538	39.6
Others	**1,948**	**98.0**	(392)	(60.6)
Total	**308,132**	**42.3**	263,423	40.0

Other income

We recorded other income of RMB1.3 million for the year ended December 31, 2025, as compared with RMB5.4 million for the year ended December 31, 2024, primarily due to the year-on-year decrease in government grants received by the Group.

Impairment losses under expected credit loss model, net of reversal

Our impairment losses under expected credit loss model, net of reversal, decreased from RMB8.2 million for the year ended December 31, 2024 to RMB5.0 million for the year ended December 31, 2025, primarily due to the decrease in credit loss incurred from outstanding receivables, taking into account the risk characteristics, supportable forecasts of future economic conditions and any recoveries.

Other gains and losses

We recorded other losses of RMB9.6 million for the year ended December 31, 2025, which primarily included the Group's exchange losses and one-off losses arising from liquidation of associates in which we invest, while other losses of RMB6.8 million for the year ended December 31, 2024, which primarily included the Group's donations and litigation expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Research and development expenses

Our research and development expenses decreased by 24.9% from RMB179.9 million in 2024 to RMB135.0 million in 2025. On the one hand, this was due to the Company's structured optimization of its R&D system and resource focus, concentrating R&D resources on high-growth Data+Agent development directions and core products and solutions with high certainty and growth potential, while scaling back non-core exploratory research projects. On the other hand, due to the introduction of AI-driven best practices for IPD R&D management, covering end-to-end bidirectional traceability from "requirements – code – defects – changes," it facilitates efficient product development, effectively drives the efficiency of the software development pipeline, and reduces R&D costs. In addition, the share-based compensation for the personnel engaged in research and development decreased. In 2025, the Company invested RMB30.8 million in research and development in Data+Agent, compared with RMB10.9 million in 2024.

Administrative expenses

Our administrative expenses increased by 7.5% from RMB91.8 million for the year ended December 31, 2024 to RMB98.7 million for the year ended December 31, 2025, primarily due to the one-time expenses incurred during the Company's business transformation process as a result of the organizational optimization and workforce reduction.

Distribution and selling expenses

Our distribution and selling expenses decreased by 40.7% from RMB160.2 million for the year ended December 31, 2024 to RMB95.0 million for the year ended December 31, 2025, due to, on the one hand, the optimization of marketing channels as the Company transformed the high-cost offline large-scale coverage marketing model into a low-cost but more accurate online AI customer acquisition and automated marketing model. Meanwhile, a greater focus on customer service and brand influence brought more repeat purchases, referrals and organic traffic from existing customers, which reduced the unit customer acquisition cost and improved the lead conversion rate, thus realizing the optimization of sales team structure and improvement of human efficiency, and reducing sales expenses. On the other hand, the decrease was also attributable to a decrease in share-based compensation for distribution and sales staff.

Share-based payment expenses

Our share-based payment expenses decreased by 87.8% from RMB54.0 million for the year ended December 31, 2024 to RMB6.6 million for the year ended December 31, 2025. Our share-based payment expenses primarily reflected the grant of share-based awards. The decrease is primarily due to the fact that certain incentive recipients no longer met the vesting conditions due to resignation, resulting in the reversal of previously recognized share-based payment expenses during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance income

Our finance income increased by 44.4% from RMB2.4 million for the year ended December 31, 2024 to RMB3.5 million for the year ended December 31, 2025, primarily due to the increase in interest on bank deposits.

Finance costs

We recorded the finance costs of RMB0.5 million for the year ended December 31, 2025, as compared to RMB0.4 million for the year ended December 31, 2024, primarily due to the increase in interest expenses arising from the increase in the lease liabilities.

Fair value changes of financial assets at FVTPL

We recorded fair value gains of financial assets at FVTPL of RMB21.2 million for the year ended December 31, 2025, as compared to fair value losses of RMB294.8 million for the year ended December 31, 2024. The gain from changes in fair value in 2025 is primarily from the Company's investment product returns and the increase in the fair value of financial assets measured at fair value for the year 2025. The reason for the fair value loss for the year 2024 is primarily due to the increase in the Company's fair value losses of financial liabilities at FVTPL as a result of the increase of the Company's valuation and the fair value of shares with preferential rights when the launching of the Company's Hong Kong initial public offering was assured in 2024. Upon the successful listing of the Company on July 9, 2024, all shares with preferential rights have been derecognized and credited as equity of the Group.

Share of results of associates and joint ventures

We recorded share of losses of associates and joint ventures of RMB0.3 million for the year ended December 31, 2025, as compared to share of losses of RMB5.3 million for the year ended December 31, 2024, primarily due to the recognition of the share of losses of associates and joint ventures in proportion to our shareholding in them.

Income tax expenses

Our income tax expense decreased from RMB456.9 thousand for the year ended December 31, 2024 to RMB24.0 thousand for the year ended December 31, 2025.

Loss for the year

We recorded a net loss of RMB10.0 million for the year ended December 31, 2025, as compared to RMB501.3 million for the year ended December 31, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Adjusted net profit/(loss) for the year (non-IFRS measure)

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit/(loss) (non-IFRS measure) as an additional financial measure. We define adjusted net profit/(loss) (non-IFRS measure) as net loss for the year, adjusted by adding share-based payment expenses, listing expenses, fair value changes of financial liabilities at FVTPL relating to shares with preferential rights issued by us, and other non-recurring losses, which are non-cash or non-recurring in nature. Share-based payments are non-cash expenses arising from granting share economic rights in our share incentive platforms to senior management and employees. Listing expenses were incurred in connection with the Global Offering. Fair value changes of financial liabilities at FVTPL represent fair value changes relating to shares with preferential rights issued by us. Other non-recurring losses for the current year represent a one-off loss incurred from the liquidation of an associate company in which we invested.

The following table reconciles our adjusted net profit/(loss) (non-IFRS measure) for the years presented:

	Year ended December 31, 2025	2024
	(RMB in thousands)	
Reconciliation of net loss to adjusted net profit/(loss) (non-IFRS measure):		
Loss for the year	**(9,980)**	(501,316)
Add		
– Share-based payment expenses	**6,573**	53,977
– Listing expenses	**–**	24,664
– Fair value changes of financial liabilities at FVTPL – shares with preferential rights	**–**	306,641
– Other non-recurring losses	**6,485**	–
Adjusted net profit/(loss) (non-IFRS measure)	**3,078**	(116,034)

Our adjusted net profit for the year ended December 31, 2025 amounted to RMB3.1 million, as compared to an adjusted net loss of RMB116.0 million for the year ended December 31, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Source of liquidity and working capital

In the year ended December 31, 2025, our primary use of cash was to fund our working capital and other recurring expenses. We financed our capital expenditures and working capital requirements primarily through cash flows generated from our operating activities, net proceeds from the Global Offering and other funds raised from the capital markets from time to time.

We monitor our cash flows, cash balance and funding requirement on a regular basis. Our current assets decreased from RMB945.5 million as of December 31, 2024 to RMB805.9 million as of December 31, 2025, primarily due to upfront R&D investments associated with business transformation and the settlement of historical payables during the current year.

Cash and cash equivalents

Our cash and cash equivalents were primarily bank deposits. Our cash and cash equivalents decreased from RMB443.9 million as of December 31, 2024 to RMB385.7 million as of December 31, 2025, primarily due to the Company's working capital requirements.

In addition, our wealth management products in financial assets at FVTPL decreased from RMB277.9 million as of December 31, 2024 to RMB90.7 million as of December 31, 2025.

As of December 31, 2025, the aggregate amount of cash and cash equivalents, wealth management products in financial assets at FVTPL was RMB476.4 million.

Foreign exchange rate risk management

Our functional currency is RMB. Our business is principally conducted in RMB, and substantially all of our assets are denominated in RMB. Foreign exchange risk arises when commercial transactions or recognized assets and liabilities are denominated in a currency that is not our functional currency. We are subject to foreign exchange risk arising from commercial transactions and recognized assets and liabilities which are denominated in non-RMB.

We recognized net foreign exchange loss of RMB5.0 million for the year ended December 31, 2025.

We have not implemented any hedging arrangements. We manage our foreign exchange risk by closely monitoring the movement of the foreign currency rates. We will mitigate such a risk by constantly reviewing the economic situation and foreign exchange risk, and applying hedging measures when necessary.

MANAGEMENT DISCUSSION AND ANALYSIS

Interest rate risk

We are exposed to cash flow interest rate risk relating to our bank balances and cash with market interest rate and market interest rate-indexed wealth management products. Our income and operating cash flows are substantially independent of changes in market interest rates. We are exposed to fair value interest risk relating to our term deposits and lease liabilities. We manage our interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. As of December 31, 2025, we have not used any interest rate swaps to hedge our exposure to interest rate risk.

Price risk

We are exposed to price risk in respect of part of our market price indexed wealth management products, investments in associates with preferential rights, investment in convertible loan and arrangement/right to receive additional shares at nominal consideration. We currently do not have a policy to hedge the price risk. However, we closely monitor such risk by maintaining a portfolio of investments with different risks.

Credit risk

We are exposed to credit risk relating to trade and other receivables, cash and cash equivalents, restricted bank deposits, term deposits, amounts due from related parties and contract assets. The carrying amounts of each class of the above financial assets represent our maximum exposure to credit risk in relation to financial assets.

Our bank balances and cash, restricted bank deposits, and term deposits are mainly deposited in state-owned or reputable financial institutions in PRC. There has been no recent history of default in relation to these financial institutions. We consider the instruments have low credit risk because they have a low risk of default and the counterparties have a strong capacity to meet its contractual cash flow obligations in the near term. The identified credit losses are insignificant during the year. We consider that there is no significant credit risk and no material losses due to the default of the other parties.

To manage risk arising from trade receivables, contract assets and amounts due from related parties of trade nature, we have policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. The credit period granted to the customers is typically within 180 days from invoice date and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors. In view of the sound collection history of receivables due from them, for measuring expected credit loss, trade receivables, contract assets and amounts due from related parties of trade nature have been grouped based on shared credit risk characteristics and aging. In addition, trade receivables and amounts due from related parties of trade nature with significant balances and contract assets with significant balances or credit-impaired are assessed for expected credit loss individually.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital expenditure

For the year ended December 31, 2025, our total capital expenditure amounted to approximately RMB10.7 million, compared to RMB7.7 million for the year ended December 31, 2024, which primarily consisted of purchases of property, plant and equipment and development project.

Capital commitments

As of December 31, 2025 and 2024, we had capital commitments of RMB39.0 million and RMB71.7 million, respectively, primarily in connection with our capital expenditure in acquisition of equity interests in associates and joint ventures and lease commitment.

Indebtedness

Our indebtedness during the year ended December 31, 2025 consisted primarily of lease liabilities. During the year ended December 31, 2025, we did not maintain banking facilities, and we did not have utilized banking facilities. As of December 31, 2025, we recorded lease liabilities of RMB13.6 million, as compared to RMB3.0 million as of December 31, 2024.

The following table sets forth the breakdown of our major indebtedness as of the dates indicated.

	As of December 31, 2025 RMB'000	As of December 31, 2024 RMB'000
Lease liabilities (current and non-current)	**13,585**	2,974
Total	**13,585**	2,974

Contingent liabilities

As of December 31, 2025, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against any member of the Group.

Future plans for material investments and capital assets

Save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and "Use of Proceeds" in this annual report, as of December 31, 2025, we did not have detailed future plans for material investments or capital assets.

MANAGEMENT DISCUSSION AND ANALYSIS

Material acquisitions and disposals and significant investment

As of December 31, 2025, the Group held an investment which carries a value of 5% or more of the Group's total assets, the details of which are set out as follows:

	Investment cost (RMB in millions)	Share of post-acquisition profit (RMB in millions)	Carrying amount as at December 31, 2025 (RMB in millions)	Fair value as at December 31, 2025 (RMB in millions)	Percentage of the investment held as at December 31, 2025 (%)	Size as compared to the Group's total assets as at December 31, 2025 (%)	Unrealized gain/(loss) during the Reporting Period (RMB in millions)	Dividend received during the Reporting Period (RMB in millions)
Boya Zhongke (Beijing) Information Technology Co., Ltd. ("**Boya Zhongke**")	66.7	3.4	70.1	Not applicable	40	6.2	Not applicable	–

Note:

(1) The Group's investment in Boya Zhongke, a company primarily engaged in the sales of finance management software in the PRC, was a strategic investment for business synergy with its industrial chain, and such investment was made prior to the Listing. During the Reporting Period, the investment in Boya Zhongke, an associate of the Company, was accounted for using the equity method by the Company.

During the Reporting Period, the Company had followed a prudent investment strategy for its external equity investments, strictly monitoring investments outside its core business areas. As of the date of the 2025 Annual Report, there were no new plans for significant external investments. Regarding the existing investments, on one hand, the Company has formulated timely and effective risk control measures, and strengthened its post-investment management to promptly identify risks associated with the investees; on the other hand, the Company has been actively seeking opportunities for exits or refinancing of such investees to achieve gains on the investments. In addition, the Company had adopted a prudent treasury management strategy and selected low-risk and high-liquidity financial products.

Save as disclosed in the above-mentioned material investments and the section headed "Directors' Report – Enter into the Capital Increase Agreement", we had no other material acquisitions and disposals and material investments.

MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

As of December 31, 2025, we did not pledge any of our assets.

Key financial indicators

The following table sets forth certain of our key financial ratios as of the dates and for the years indicated.

	Year ended December 31,	
	2025	2024
Profitability ratios		
Gross profit margin[1]	**42.3%**	40.0%
Net loss margin[2]	**1.4%**	76.0%
Revenue growth rate[3]	**10.5%**	(7.5%)

	As of December 31, 2025	As of December 31, 2024
Liquidity ratios		
Current ratio[4]	**3.9**	3.4
Trade receivable turnover days[5]	**68.0 days**	35.7 days
Trade payable turnover days[6]	**34.0 days**	38.0 days

(1) The calculation of gross profit margin is based on gross profit for the periods divided by revenue for the respective periods.

(2) The calculation of net loss margin is based on loss for the periods divided by revenue for the respective periods.

(3) The calculation of revenue growth rate is based on revenue for the periods divided by revenue for the previous respective periods minus one.

(4) The calculation of current ratio is based on current assets divided by current liabilities as of periods end.

(5) The calculation of trade receivables turnover days is based on the average of opening and closing balance of trade receivables for the relevant year, divided by the revenue for the same year, and multiplied by 365 days.

(6) The calculation of trade payables turnover days is based on the average of opening and closing balance of trade payables for the relevant periods, divided by the cost of sales for the same periods, and multiplied by 365 days.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Below are the brief profiles of the current Directors, Supervisors and senior management of the Group.

DIRECTORS

The Board currently consists of nine Directors, comprised of three executive Directors, two non-executive Directors and four independent non-executive Directors. The following table sets forth information regarding the Directors.

Name	Age	Position	Date of Appointment as Director
Executive Directors			
Ms. Chen Jie (陳杰)	51 years old	Chairlady of our Board, chief executive officer, general manager and executive Director	May 4, 2015
Mr. Zou Yan (鄒岩)	44 years old	Executive Director and executive vice president	April 3, 2016
Ms. Jin Xin (金鑫)	41 years old	Executive Director and deputy chief executive officer	May 8, 2021
Non-executive Directors			
Mr. Huang Miao (黃淼)	55 years old	Non-executive Director	August 1, 2018
Mr. Diao Juanhuan (刁雋桓)	55 years old	Non-executive Director	November 13, 2019
Independent non-executive Directors			
Mr. Tian Lixin (田立新)	51 years old	Independent non-executive Director	May 8, 2021
Dr. Wu Changhai (武長海)	53 years old	Independent non-executive Director	May 8, 2021
Dr. Song Hua (宋華)	57 years old	Independent non-executive Director	May 8, 2021
Mr. Ng Kwok Yin (吳國賢)	50 years old	Independent non-executive Director	December 25, 2021

Executive Directors

Ms. Chen Jie (陳杰), aged 51, is our founder and was appointed as an executive Director, general manager and chairlady of our Board in May 2015, and was appointed as the chief executive officer of our Company on November 28, 2025. Ms. Chen is primarily responsible for the overall strategic planning, business direction and management of our Group. Ms. Chen also serves as director of our certain subsidiaries, including the executive director of Beijing Baiwang Jinkong Technology Co., Ltd. (北京百望金控科技有限公司).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Chen has more than 24 years of experience in IT industry. Prior to founding our Company, from July 2012 to March 2014, Ms. Chen worked as the deputy general manager of the information security department at Watertek, an embedded operating system solution provider whose shares are listed on the Shenzhen Stock Exchange (stock code: 300324), where she was primarily responsible for the daily management of information security business of the company. Ms. Chen did not have any direct or indirect shareholding or equity or debt interest in Watertek from July 2012 and up to the Latest Practicable Date. From April 2000 to May 2012, she successively worked at Beijing Watch Intelligent Technology Co., Ltd. (北京握奇智能科技有限公司) and Beijing Watchdata Co., Ltd. (北京握奇數據股份有限公司) (formerly known as Beijing Watchdata System Co., Ltd. (北京握奇數據系統有限公司)), a data security solution provider.

Ms. Chen obtained a master's degree in strategy management from Beihang University (北京航空航天大學) in the PRC in June 2010 and an executive master of business administration degree from Cheung Kong Graduate School of Business (長江商學院) in the PRC in July 2018. Ms. Chen obtained an executive master of business administration degree from Tsinghua University (清華大學) in the PRC in January 2023. Ms. Chen is a member of the 14th Beijing Municipal Committee of Chinese People's Political Consultative Conference (中國人民政治協商會議第十四屆北京市委員會委員) and a member of the standing committee of Beijing Municipal Federation of Industry and Commerce (北京市工商業聯合會常務委員).

Ms. Chen was awarded Beijing Model Worker (北京市勞動模範) by the People's Government of Beijing Municipality (北京市人民政府) in April 2010 and Zhongguancun High-end Leading Talent (中關村高端領軍人才) jointly by Beijing Municipal Science and Technology Commission (北京市科學技術委員會) and Administrative Commission of Zhongguancun Science Park (中關村科技園管理委員會) in April 2019. Ms. Chen was also ranked among China's Top 25 Promising Businesswomen by Forbes China in February 2018.

Mr. Zou Yan (鄒岩), aged 44, joined our Group in July 2015 and was appointed as an executive vice president in April 2016 and the chief marketing officer in April 2026. Mr. Zou is primarily responsible for the key task promotion and resource integration in the implementation of the Group's strategy. Mr. Zou also currently serves as the director and manager at our certain subsidiaries.

Mr. Zou has more than 10 years of experience in software information industry. Prior to joining us, from April 2014 to July 2015, Mr. Zou served as a deputy general manager at Beijing Weizhi Power Network Information Technology Co., Ltd. (北京唯緻動力網絡信息科技有限公司), an IT company where he was primarily responsible for sales management of the company. From July 2012 to March 2014, he served as the sales manager at Watertek where he was responsible for sales management of information security products. Prior to that, from October 2009 to June 2012, he served as a technical support engineer at Beijing Watchdata Co., Ltd. where he was responsible for sales of information security products for banking industry. Mr. Zou also worked as a trainee application engineer at Invensys Netherland (now known as Schneider Electronics), a multinational IT company.

Mr. Zou graduated from University of Electronic Science and Technology of China (電子科技大學) in the PRC with a bachelor's degree in automation in June 2005.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Jin Xin (金鑫), aged 41, joined our Group in November 2018 as vice president and was appointed as an executive Director in May 2021 and the deputy chief executive officer in January 2026. She is primarily responsible for the overall operational management of our Group.

Ms. Jin has more than 13 years of experience in the financial services industry. Prior to joining us, she worked at the credit card center of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司), a state-owned bank concurrently listed on the Main Board of the Stock Exchange (stock code: 1398) and the Shenzhen Stock Exchange (stock code: 601398), from September 2009 to October 2018, where she was primarily responsible for product development and operation of online platforms.

Ms. Jin graduated from Beijing Forestry University (北京林業大學) in the PRC with a bachelor's degree in packaging engineering in July 2007. She further obtained a master's degree from Beihang University (北京航空航天大學) in the PRC in management science and engineering in July 2009.

Non-executive Directors

Mr. Huang Miao (黃淼), aged 55, was appointed as our non-executive Director in August 2018. Mr. Huang is primarily responsible for providing guidance on overall strategic planning, corporate governance and business direction of our Group.

Mr. Huang has extensive experience in industrial investment and business operations management, with over 11 years of experience in venture capital and mergers and acquisitions. Prior to entering the VC/PE sector, Mr. Huang had 16 years of experience in industrial operations at large multinational corporations such as BP British Petroleum and Shell. With focus on investments in fields such as artificial intelligence and big data, industrial internet, chips and semiconductors, and new materials, he has helped numerous high-tech startups grow and achieved IPO through early-stage venture capital investments.

Mr. Huang joined Fosun Capital in January 2017, where he has been engaged in VC/PE venture capital and equity investments. He currently serves as a global partner at Fosun International Limited and as managing partner and co-CEO of Shanghai Fosun Capital Investment Management Co., Ltd., a subsidiary of Fosun International Limited whose shares are listed on the Hong Kong Stock Exchange (stock code: 0656.HK). Previously, Mr. Huang served as a vice president at Jiangsu Jiuzhou Venture Investment Management Co., Ltd. (江蘇九洲創業投資管理有限公司). From 2010 to 2012, he served as a senior investment manager at SAIF Partners (formerly SoftBank-SAIF), a private equity firm specializing in venture capital investments.

From January 2008 to May 2010, Mr. Huang served at Shell (China) Limited (殼牌(中國)有限公司), a subsidiary of Royal Dutch Shell Plc whose shares are listed on the New York Stock Exchange (ticker: RDS.A), with his last position being sales director (MCO China). Prior to that, from May 1997 to January 2008, Mr. Huang also successively served as a sales engineer, a regional sales manager and a marketing director at Castrol (Shanghai) Trading Co., Ltd., a subsidiary of BP plc whose shares are concurrently listed on the London Stock Exchange (ticker: BP), the Frankfurt Stock Exchange (stock code: BPE) and the New York Stock Exchange (ticker: BP).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Huang graduated from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) in the PRC with a bachelor's degree in mechanical engineering in 1993. He obtained a master's degree from Peking University in January 2007. He was previously awarded honours including the "2021 Best Investor in the Information Technology Industry" by the Shanghai Equity Investment Association. Enterprises invested in by Mr. Huang achieved IPOs of four projects in 2024, and Hehe Information (688615.SH), in which he invested, was selected by CVINFO as the "Best Exit Case in China's Artificial Intelligence and Big Data Industry" in 2024.

Mr. Diao Juanhuan (刁雋桓), aged 55, was appointed as our non-executive Director in November 2019. Mr. Diao is primarily responsible for providing guidance on overall strategic planning, corporate governance and business direction of our Group.

Mr. Diao has extensive experience in investment management. He has served as a partner at Shenzhen Oriental Fortune Capital Co., Ltd. (深圳東方富海投資管理股份有限公司) since January 2008, a PRC venture capital investment firm where he was responsible for fund management. He has also served as the general manager and a director at Shenzhen Aofan Investment Co., Ltd. (深圳市翺帆投資股份有限公司) since April 2002, being responsible for investment management.

From September 2019 to March 2021, Mr. Diao served as a director at Shanxi Yongdong Chemical Co., Ltd. (山西永東化工股份有限公司), a company whose shares are listed on Shenzhen Stock Exchange (stock code: 002753). From December 1996 to December 1998, he served as a general manager at Lanzhou Longxi Road securities trading branch of Jun'an Securities Co., Ltd. (君安證券有限公司) (currently known as Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司), a company whose shares are listed on the Stock Exchange (stock code: 2611) and the Shanghai Stock Exchange (stock code: 601211)), being responsible for various securities trade assignments and overseeing the operation of the branch.

Mr. Diao graduated from Shenzhen University (深圳大學) in the PRC with a bachelor's degree in international trade in July 1995. He further obtained an executive master of business administration degree from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2011.

Independent Non-Executive Directors

Mr. Tian Lixin (田立新), aged 51, was appointed as our independent non-executive Director in May 2021. He is primarily responsible for providing independent advice to our Board on the operations and management of our Group.

Mr. Tian has extensive experience in accounting and financial management. Mr. Tian has served as an executive director at Sichuan Datong Gas Development Co. Ltd (四川大通燃氣開發股份有限公司) (currently known as Delong Composite Energy Group Co., Ltd. (德龍彙能集團股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000593)) since November 2018. He has also served as the vice president at Delong Steel Co., Ltd. (德龍鋼鐵有限公司) since 2013.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Tian graduated from Hebei University of Economics and Business (河北經貿大學) in the PRC with an undergraduate diploma in accounting in July 2000. He also obtained an executive master of business administration degree from Tsinghua University (清華大學) in the PRC in June 2022. Mr. Tian was accredited as a Senior Accountant by the Department of Personnel of Hebei Province (河北省人事廳) in December 2008 and a Certified Tax Agent by Hebei Provincial Title Reform Leading Group Office (河北省職稱改革領導小組辦公室) in June 2007, respectively.

Dr. Wu Changhai (武長海), aged 53, was appointed as our independent non-executive Director in May 2021 and is primarily responsible for providing independent advice to our Board on the operations and management of our Group.

Dr. Wu has over 17 years of experience in research and teaching on economic law. He has served at China University of Political Science and Law Capital Finance Institute (中國政法大學資本金融研究院) since July 2007 with the current position being a professor and deputy dean. From July 2004 to July 2007, Dr. Wu served as a researcher at WTO center, Beijing Municipal Commerce Bureau (北京市商務局WTO 中心). He also temporarily acted as the assistant to the director of the policy research department, Beijing Municipal Financial Work Bureau (北京市金融工作局政策研究室) and the deputy director of the legal and compliance department of China Xiong'an Group (中國雄安集團).

Dr. Wu has served as independent director at Gaona Aero Material Co., Ltd. (北京市鋼研高納股份有限公司), a company whose shares have been listed on the Shenzhen Stock Exchange (stock code: 300034) since April 2021.

Dr. Wu obtained a master's degree in law from Renmin University of China (中國人民大學) in the PRC in July 2004 and a doctorate degree in law from University of International Business and Economics (對外經濟貿易大學) in the PRC in July 2007. Dr. Wu's key social positions include the executive director of the International Economic Law Research Association of China Law Society (中國法學會國際經濟法學研究會常務理事), arbitrator of China International Economic and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會仲裁員), mediator of Investor Services Center, China Securities Regulatory Commission (中國證監會中小投資者服務中心調解員) and peer review expert of National Social Science Fund (國家社科基金同行評議與評審專家).

Dr. Song Hua (宋華), aged 57, was appointed as our independent non-executive Director in May 2021 and is primarily responsible for providing independent advice to our Board on the operations and management of our Group.

Dr. Song has over 27 years of experience in research and teaching on corporate management. He has served at Renmin Business School (中國人民大學商學院) since July 1995 and is currently a deputy dean and professor of corporate management department.

Dr. Song obtained a master's degree and a doctorate degree in trade economics from Zhongnan University of Economics (中南財經大學) (now known as Zhongnan University of Economics and Law (中南財經政法大學)) in the PRC in July 1992 and June 1995, respectively.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Dr. Song was awarded Baosteel Excellent Teachers Award (寶鋼優秀教師獎) by Baosteel Education Foundation (寶鋼教育基金會) in November 2009. He has been a participant of New Century Excellent Talents Program (新世紀優秀人才計劃) implemented by the Ministry of Education, PRC (中華人民共和國教育部) since December 2007. Dr. Song also holds positions at academic organizations, such as the vice president of China Society of Logistics (中國物流學會副會長).

Mr. Ng Kwok Yin (吳國賢), aged 50, was appointed as our independent non-executive Director in December 2021 and is primarily responsible for providing independent advice to our Board on the operations and management of our Group.

Mr. Ng has extensive experience in financial management. Mr. Ng has served as an independent non-executive director at Concord Healthcare Group Co., Ltd. (美中嘉和醫學技術發展集團股份有限公司), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 2453) since January 9, 2025. From November 2020 to September 2021, Mr. Ng served as a director and the chief financial officer at Zhangmen Education Inc., a company whose shares are listed on the New York Stock Exchange (ticker: ZME). From August 2019 to July 2020, Mr. Ng served as the chief financial officer at Meten Edtechx Education Group Ltd., a company listed on Nasdaq (ticker: METX). Prior to that, Mr. Ng served as the chief financial officer of Ming Yang Smart Energy Group Limited (明陽智慧能源集團股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 601615) from November 2014 to August 2019. From October 1999 to August 2012, Mr. Ng served at KPMG with his last position being a senior manager.

Mr. Ng received his bachelor's degree in accounting from The Hong Kong University of Science and Technology in Hong Kong in November 1999. He has been a member of the Hong Kong Institute of Certified Public Accountants since January 2003 and was admitted as a Fellow Certified Public Accountant (FCPA) on February 27, 2026. He was qualified to serve as a board secretary of the companies whose shares were listed on the Shanghai Stock Exchange in April 2019.

SUPERVISORS

The PRC Company Law requires our Company to establish a board of supervisors that is responsible for supervising, among others, the performance of our directors and senior management and the Company's financial operations. Our Board of Supervisors consists of three Supervisors, including one director of human resources department. Our Supervisors are elected for a term of three years and are subject to re-election upon the expiry of such term. The following table sets forth information regarding our Supervisors.

Name	Age	Position	Date of Appointment
Supervisors			
Mr. Li Yunfeng (李雲峰)	48	Chairman of our Board of Supervisors, Supervisor and director of human resources department	December 1, 2015
Ms. Shi Haixia (史海霞)	50	Supervisor and senior executive assistant	August 31, 2022
Mr. Luo Wenhong (羅文宏)	36	Supervisor	May 8, 2021

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Li Yunfeng (李雲峰), aged 48, joined our Group as the deputy director of human resources and administration department in May 2015 and was appointed as a Supervisor and the chairman of our Board of Supervisors in December 2015. Mr. Li is primarily responsible for the overall management of our Board of Supervisors and the supervision of performance of our Directors and senior management.

Prior to joining us, from April 2011 to April 2014, Mr. Li served as the design director at Beijing Wsdong Internet Information Technology Co., Ltd. (北京唯致動力網絡信息科技有限責任公司). From September 2008 to September 2010, he served as a senior designer at Beijing Watchdata Co., Ltd. He also worked as an art engineer at Beijing Sijiawei Technology Co., Ltd. (北京思佳維科技有限公司) from September 2000 to September 2005.

Mr. Li graduated from Yancheng Institute of Technology (鹽城工學院) in the PRC with a college diploma in decoration and design in June 1999.

Ms. Shi Haixia (史海霞), aged 50, joined our Group as a senior executive assistant in June 2018 and was appointed as a Supervisor in August 2022. Ms. Shi is primarily responsible for the supervision of performance of our Directors and senior management.

Prior to joining us, from February 2000 to May 2018, Ms. Shi served as a salesperson at Beijing Watchdata Co., Ltd. (北京握奇數據股份有限公司).

Ms. Shi obtained a college diploma in professional English from The Capital United University for Further Study (首都聯合職工大學) in the PRC through long distance learning in January 2006.

Mr. Luo Wenhong (羅文宏), aged 36, was appointed as a Supervisor in May 2021. Mr. Luo is primarily responsible for the supervision of performance of our Directors and senior management.

Mr. Luo has served as an investment manager at Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) since July 2015.

Mr. Luo graduated from Sun Yat-sen University (中山大學) in the PRC with a bachelor's degree in information science in July 2012. He further obtained a master's degree in applied finance from Pepperdine University in the United States in June 2014.

SENIOR MANAGEMENT

Ms. Chen Jie (陳杰), see "– Directors – Executive Directors" for details.

Mr. Zou Yan (鄒岩), see "– Directors – Executive Directors" for details.

Ms. Jin Xin (金鑫), see "– Directors – Executive Directors" for details.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Yu Jiapeng, aged 43, joined the Group in November 2025 as vice President, chief financial officer and Board secretary. She has over 18 years of experience in capital market operations, financial management and investment banking in Hong Kong and Chinese mainland.

Prior to joining the Group, Ms. Yu served as director of strategic development and investor relations at Huatai Securities Co., Ltd. (6886.HK, 601688.CH) from December 2016 to October 2025, and also as a director at the investment banking division of Huatai International. During her tenure, she successfully led and executed the issuance and listing of Huatai Securities' Global Depositary Receipts (GDRs) on the London Stock Exchange, setting a precedent for Chinese enterprises to raise funds through the Shanghai-London Stock Connect mechanism. Additionally, she took the lead in overseeing a number of initial public offerings (IPOs) on the Hong Kong and U.S. stock exchanges, demonstrating extensive cross-border capital market experience. Ms. Yu served as a financial sector analyst in the research department of Citigroup from September 2014 to November 2016. Previously, she worked at Samsung Asset Management in equity research and investments, and held positions at Ernst & Young and KPMG and has a solid professional background in auditing.

Ms. Yu received a bachelor's degree in Economics from Nankai University in 2006 and obtained a master's degree in Business Administration from The Hong Kong University of Science and Technology in 2012.

REPORT OF THE DIRECTORS

The Board is pleased to present this report together with the consolidated financial statements of the Group for the year ended December 31, 2025.

PRINCIPAL ACTIVITIES

The Company was incorporated in Beijing, the PRC on May 4, 2015 as a joint stock company with limited liability under the PRC laws. The Group is an AI enterprise rooted in authentic transaction data, centered on enterprise commercial credit capability, and utilizing intelligent tools and agents to achieve scalable delivery. The H Shares of the Company were listed on the Main Board of the Stock Exchange on July 9, 2024 with stock code 6657.

The activities and particulars of the Company's subsidiaries are set out in Note 1 to the consolidated financial statements. An analysis of the Group's revenue and net results for the year ended December 31, 2025 by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and Note 7 to the consolidated financial statements. During the Reporting Period, the Company has added AI business to its principal business. Details are set out in the section headed "Management Discussion and Analysis" and Note 7 to the consolidated financial statements in this annual report.

BUSINESS REVIEW AND RESULTS AND FUTURE DEVELOPMENT

A review of the business of the Group during the Reporting Period is provided in the section headed "Management Discussion and Analysis – Business Overview and Outlook" of this annual report. An analysis of the Group's performance during the Reporting Period is provided in the section headed "Management Discussion and Analysis – Financial Review" of this annual report.

The results of the Group for the Reporting Period are set out in the consolidated financial statements in this annual report.

The future development in the Company's business is provided in the sections headed "Management Discussion and Analysis – Business Overview and Outlook" and "Management Discussion and Analysis – Outlook" of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

We are subject to market risks brought by, among others, uncertainties of the economic outlook, evolving regulations and policies. Please refer to the sections headed "Management Discussion and Analysis – Financial Review" for more information.

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period,

(i) the Group's largest supplier accounted for 25.0% (2024: 5.8%) of its total purchases, and the five largest suppliers accounted for 49.6% of its total purchases (2024: 24.1%); and

(ii) the Group's largest customer accounted for 12.1% (2024: 12.1%) of its total sales, and the five largest customers accounted for 33.5% of its total sales (2024: 27.8%).

To the best of the knowledge of our Directors, none of the Group's Directors, their respective close associates or any Shareholder who owns more than 5% of our issued share capital (excluding treasury shares) had any interest in any of the Group's five largest customers and five largest suppliers for the year ended December 31, 2025.

KEY RELATIONSHIPS WITH ITS EMPLOYEES, CUSTOMERS AND SUPPLIERS

For details of relationship with the employees, customers and suppliers, please refer to "Major Customers and Suppliers," and "Employee, Training and Remuneration Policies" in this report of directors and the environmental, social and governance report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 20 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in Note 34 to the consolidated financial statements.

DEBENTURES

The Company did not issue any debentures during the Reporting Period.

DISTRIBUTABLE RESERVES

As of December 31, 2025, the Company had no distributable reserves. Under the PRC Company Law, a company incorporated in the PRC is required to allocate at least 10% of its after-tax profits each year as certain statutory reserves after making up for the accumulated losses, if any, of the previous year, until the total amount of statutory reserve contributions reaches 50% of its registered capital. We may pay dividends from our after-tax profits after making up for the accumulated losses and the statutory reserves. Movements in the Company's reserves for the year ended December 31, 2025 are set out in the consolidated statements of changes in equity of the Group included in this annual report.

REPORT OF THE DIRECTORS

BANK AND OTHER BORROWINGS

During the Reporting Period, the Company had no bank or other borrowing.

EQUITY LINKED AGREEMENTS

No equity linked agreements (as defined in the Section 6 of Companies (Directors' Report) Regulation (Chapter 622D of the Laws of Hong Kong) that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Directors, Supervisors and senior management during the Reporting Period and up to the date of this report were:

Executive Directors

Ms. Chen Jie *(Chairlady of the Board)*
Mr. Fu Yingbo *(resigned on November 28, 2025)*
Mr. Zou Yan
Ms. Jin Xin

Non-executive Directors

Mr. Huang Miao
Mr. Diao Juanhuan

Independent Non-Executive Directors

Mr. Tian Lixin
Dr. Wu Changhai
Dr. Song Hua
Mr. Ng Kwok Yin

SUPERVISORS

Mr. Li Yunfeng
Ms. Shi Haixia
Mr. Luo Wenhong

Senior Management

Ms. Chen Jie
Mr. Zou Yan
Ms. Jin Xin
Ms. Yu Jiapeng

REPORT OF THE DIRECTORS

On November 28, 2025, following consideration and approval by the Board, with effect from November 28, 2025, (1) Ms. Chen Jie, Chairlady of the Board and executive Director, has been appointed as the chief executive officer of the Company; (2) Mr. Zou Yan, an executive Director, has been appointed as a member of the remuneration and appraisal committee of the Board. On the same day, Mr. Fu Yingbo, due to his personal career planning, has tendered his resignation as an executive Director and chief executive officer of the Company, a member of the remuneration and appraisal committee of the Board, with effect from November 28, 2025.

Biographical details of Directors, Supervisors and senior management are set out in "Directors, Supervisors and Senior Management" of this annual report.

Save as disclosed above, from January 1, 2025 to the date of this annual report, there were no changes to information which are required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of our Directors and Supervisors has entered into a service contract with our Company. Each service contract is for an initial term of three years. The service contracts may be renewed in accordance with their respective terms, the Articles and the applicable laws, rules and regulations.

Save as disclosed above, none of the Directors or Supervisors has or is proposed to enter into a service contract with any member of our Group, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors were interested in any business which competes or is likely to compete with the businesses of the Group during the Reporting Period.

SIGNIFICANT CONTRACTS

As of the end of the Reporting Period, none of the Directors, Supervisors or their respective connected entities (as defined in the Listing Rules) had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group subsisting during or at the end of the Reporting Period to which the Company or any of its subsidiaries was a party.

During the Reporting Period, the Group has not entered into any contract of significance with the Controlling Shareholders or its subsidiaries (other than the Group).

REPORT OF THE DIRECTORS

CONNECTED TRANSACTIONS

The following transactions constitute connected transactions for the Company under Rule 14A.23 of the Listing Rules and are required to be disclosed in this annual report in accordance with Rule 14A.71 of the Listing Rules. The Company confirmed that for the related party transactions falling under the definition of "connected transaction" or "continuing connected transaction" (as the case may be) in Chapter 14A of the Listing Rules, it had complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Enter into the Capital Increase Agreement

References are made to the announcements of the Company dated November 17, 2024, December 3, 2025, December 31, 2025 and February 6, 2026 (the "**Announcements**"). On December 31, 2025, the Company entered into a capital increase agreement (the "**Capital Increase Agreement**") with Huanqiu Zhilian, Baiwangyun Overseas, and Mr. Yang Zhengdao, pursuant to which, all parties agreed that the Company shall, based on the Convertible Loan Agreement, convert the outstanding principal of the convertible loan provided by the Company to Baiwangyun Overseas as of December 31, 2025 (i.e., RMB35 million) into equity interest in Baiwangyun Overseas, and subscribe for the newly increased registered capital of Baiwangyun Overseas of RMB2.6923 million in accordance with the terms and conditions of the Capital Increase Agreement. The total Capital Increase amounted to RMB35 million, of which RMB2.6923 million will be credited to the registered capital of Baiwangyun Overseas, and the remaining RMB32.3077 million will be credited to the capital reserve of Baiwangyun Overseas. The Company obtained a warrant entitling the Company to reduce its equity interest in Baiwangyun Overseas corresponding to RMB15 million of the total Capital Increase amount in the Capital Increase, and invest such funds into the intended listing entity of Baiwangyun Overseas, i.e., GLOBAL DIGITAL REGTECH CLOUD CO., LTD. ("**GLOBAL DIGITAL**"), to achieve the purpose of converting part of the Company's equity interest in Baiwangyun Overseas to GLOBAL DIGITAL. If Baiwangyun Overseas Group has completed a "Qualified IPO", the Company shall have the right to issue a written notice to Baiwangyun Overseas, requiring Baiwangyun Overseas to repurchase or have Huanqiu Zhilian and/or its designated third party to purchase all equity held by the Company in Baiwangyun Overseas at that time.

The transactions under the Capital Increase Agreement constitute connected transactions of the Company under the Listing Rules, as Mr. Yang Zhengdao, the ultimate controlling shareholder of Baiwangyun Overseas and Huanqiu Zhilian, had served as a director of Wuxi Baishang Zhongwang Data Technology Co., Ltd., a major subsidiary of the Company, in the last 12 months prior to the date of entering into the Capital Increase Agreement. He is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules.

Please refer to such announcements for more details of such transaction.

REPORT OF THE DIRECTORS

Alibaba Cloud Services Framework Agreement

In June 2024, Alibaba Cloud Computing Ltd. (阿里雲計算有限公司) ("**Alibaba Cloud**") and the Company entered into a cloud service framework agreement (the "**Alibaba Cloud Services Framework Agreement**"), pursuant to which, among others, the Company agreed to purchase cloud services from Alibaba Cloud. The Alibaba Cloud Services Framework Agreement has an initial term from the Listing Date to December 31, 2026, subject to renewal upon the mutual consent of both parties.

The prices of transactions contemplated under the Alibaba Cloud Services Framework Agreement are based on the prices as set out in the price catalog as published by Alibaba Cloud from time to time, which sets out the specific service scope and the corresponding prices, applying discounts as agreed and set out in the business agreement. The prices offered by Alibaba Cloud are comparable to the prices offered by other third-party cloud services providers.

The annual cap for the transactions contemplated under the Alibaba Cloud Services Framework Agreement for the year ended December 31, 2025 is RMB20.8 million, and the actual transaction amount incurred for the year ended December 31, 2025 was RMB12.0 million.

Alibaba Cloud is a fellow subsidiary of Alibaba, a Substantial Shareholder, and hence a connected person of the Company under Rule 14A.13 (1) of the Listing Rules. As such, the transactions contemplated under the Alibaba Cloud Services Framework Agreement shall constitute connected transactions of the Company.

Please refer to the Prospectus for more details of such transaction.

Taobao Cooperation Framework Agreement

In June 2024, Taobao and the Company entered into a cooperation framework agreement (the "**Taobao Cooperation Framework Agreement**"), pursuant to which, among others, Taobao agreed to grant the Company an access to its online invoice platform under the brand name of "Ali Invoice Platform" and have the Company serve as a tax service provider on the platform, through which the Group is able to provide financial & tax digitalization solutions, including professional invoice services and essential invoice services, to the e-merchants on the e-commerce marketplaces operated by Taobao ("**Taobao Merchants**") which subscribe and pay for the Group's services, and in return the Company agreed to pay Taobao for a platform service fee. The Group's professional invoice services to Taobao Merchants include certain value-added functions such as unlimited issuance, cancellation and bulk-issuance of invoices with supports from both our mobile phone application and the website of Ali Invoice Platform and tax compliance risk detection, whereas our essential invoice services to Taobao Merchants include the essential functions of issuance and cancellation of invoices in a limited number per day with supports from the website of Ali Invoice Platform only. The Taobao Cooperation Framework Agreement has an initial term from the Listing Date to December 31, 2026, subject to renewal upon the mutual consent of both parties.

REPORT OF THE DIRECTORS

Taobao charged and will charge the Company under the Taobao Cooperation Framework Agreement 20% of the total subscription fee received from the Taobao Merchants as the platform service fee, which is determined based on arm's length negotiations and comparable to the pricing policies under our similar cooperations with other business collaborators. To assist the Company with the promotion of the Group's professional invoice services, Taobao has agreed to exclude the fee paid by the Taobao Merchants for the first-time subscription of the Company's professional invoice services when calculating the platform service fee.

The annual cap for the platform service fee charged by Taobao on the Company under the Taobao Cooperation Framework Agreement for the year ended December 31, 2025 is RMB6.6 million, and the actual transaction amount incurred for the year ended December 31, 2025 was RMB0.9 million.

Taobao China is the controlling shareholder of Alibaba, a Substantial Shareholder, and Zhejiang Taobao is a fellow subsidiary of Alibaba, and hence Taobao is a connected person of the Company under Rule 14A.13 of the Listing Rules. As such, the provisions of platform services by Taobao contemplated under the Taobao Cooperation Framework Agreement shall constitute connected transactions of the Company.

Please refer to the Prospectus for more details of such transaction.

Annual Review by Independent Non-executive Directors and the Auditor on the Continuing Connected Transactions

The independent non-executive Directors have reviewed the continuing connected transactions mentioned above pursuant to Rule 14A.55 of the Listing Rules and confirmed that the aforesaid continuing connected transactions had been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better to the Group; and

(iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

REPORT OF THE DIRECTORS

Pursuant to Rule 14A.56 of the Listing Rules, the auditor of the Company has been engaged to report on the continuing connected transactions of the Company in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into during the Reporting Period:

(i) nothing has come to their attention that causes them to believe that the aforesaid continuing connected transactions have not been approved by the Board;

(ii) nothing has come to their attention that causes them to believe that the aforesaid continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(iii) with respect to the aggregate actual transaction amount of each of the aforesaid continuing connected transactions, nothing has come to their attention that causes them to believe that such actual transaction amounts have exceeded the relevant annual caps as set by the Company.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Remuneration payable to our executive Directors, Supervisors and senior management (who are also employees of the Company) comprises salaries, emoluments, pensions, discretionary bonuses and other benefits. Non-executive Directors and independent non-executive Directors receive remuneration according to their duties, including acting as members or chairpersons of Board committees. We adopt a market-driven and incentive-based employee remuneration structure and operate a multi-tier appraisal system focusing on performance and management targets.

Details of the emoluments of the Directors and five highest paid individuals are set out in Notes 18 and 19 to the consolidated financial statements.

None of the Directors or Supervisors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors, Supervisors or other individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

REPORT OF THE DIRECTORS

EMPLOYEE, TRAINING AND REMUNERATION POLICIES

The Group had 754 employees as at December 31, 2025, as compared to 934 employees as at December 31, 2024.

The Group provides robust training programs for onboarding employees. We also provide regular and specialized trainings both online and offline, tailored to the needs of our employees in different departments. Remuneration packages for our employees mainly comprise base salary and performance-related cash bonus and other incentives.

As required under PRC labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In compliance with PRC regulations, we participate in various employee social insurance plans that are organized by applicable local municipal and provincial governments, including maternity, pension, medical, work-related injury and unemployment benefit plans, as well as housing provident funds. We are required under PRC laws to make contributions to employee benefit plans.

We believe that we maintain a good working relationship with our employees and we had not experienced any material labor disputes or any difficulty in recruiting staff for our operations during 2025.

ENVIRONMENTAL POLICIES AND PERFORMANCE

We actively conduct research and explore sustainable technologies and practices to minimize our carbon footprint. Close collaboration with customers, telecommunications providers, and industry organizations allows us to collectively address climate risks and develop sustainable solutions that align with customer demands and regulatory requirements. By allocating resources to address climate concerns and demonstrate environmental responsibility, we aim to ensure compliance, preserve our positive reputation, and retain customer loyalty. We have adopted comprehensive internal control mechanisms to ensure our compliance with relevant regulations.

In 2025, we have been in compliance with the currently applicable PRC laws and regulations with respect to environmental matters in all material respects. We will continuously communicate with the relevant regulatory authorities regarding the evolving ESG-related regulatory requirements to keep abreast of the last developments and ensure our ongoing compliance.

The Environmental, Social and Governance Report of the Company was prepared in accordance with Appendix C2 of the Listing Rules.

REPORT OF THE DIRECTORS

THE GROUP'S SUBSIDIARIES AND FACILITIES

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the consolidated financial statements.

As of December 31, 2025, we operated our businesses through these 7 leased properties in Beijing, Wuxi, Hangzhou and Shanghai, with a total gross floor area of approximately 8,589.36 square meters. All such properties have been used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are primarily used as office premises for our business operations, research and development facilities, warehouses and staff dormitories.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND THE CHIEF EXECUTIVE OF OUR COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY AND ITS ASSOCIATED CORPORATIONS

As of December 31, 2025, to the best of the knowledge of the Directors, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name	Class of Shares	Capacity/ nature of interest	Number of Shares held[1]	Approximate percentage of total shareholdings in the Company[2]
Ms. Chen[3]	H Shares	Beneficial owner	58,700,000 (L)	25.98%
		Interest in controlled corporation	34,922,174 (L)	15.46%
Mr. Huang Miao	H Shares	Beneficial owner	45,215 (L)	0.02%

(1) The letter "L" denotes the person's long position in the Shares and the letter "S" denotes the person's short position in the Shares.

(2) As a percentage of H Shares. Representing the percentage of the number of H Shares as at December 31, 2025 divided by the number of all shares of the Company in issue (totaling 225,906,754 Shares and all of which were H Shares).

(3) Ms. Chen (i) acted as the general partner of Ningbo Xiu'an; and (ii) acted as the general partner of Tianjin Duoying and Tianjin Piaoying, the latter of which was a limited partner holding 43.16% of the partnership interest in Tianjin Duoying. Under the SFO, Ms. Chen is deemed to be interested in the entire Shares held by Ningbo Xiu'an and Tianjin Duoying.

REPORT OF THE DIRECTORS

Save as disclosed above, as of December 31, 2025, none of the Directors, Supervisors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or which would be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2025, to the best of the knowledge of the Directors, the following persons, other than Directors, Supervisors or the Chief Executive of the Company, had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Class of Shares	Capacity/ nature of interest	Number of Shares held[1]	Approximate percentage of total shareholdings in the Company[3]
Ningbo Xiu'an[4]	H Shares	Beneficial owner	20,000,000 (L)	8.85%
Tianjin Duoying[4]	H Shares	Beneficial owner	14,922,174 (L)	6.61%
Tianjin Piaoying Technology Center (Limited Partnership) (天津票盈科技中心(有限合夥)) ("**Tianjin Piaoying**")[4]	H Shares	Interest in controlled corporation	14,922,174 (L)	6.61%
Alibaba[5]	H Shares	Beneficial owner	25,724,721 (L)	11.39%
Alibaba Group Holding Limited[5] 阿里巴巴集團控股有限公司	H Shares	Interest in controlled corporation	25,724,721 (L)	11.39%
Watertek[6]	H Shares	Beneficial owner	21,463,466 (L)	9.50%
Mr. Chen Jiangtao ("**Chen Jiangtao**")[6]	H Shares	Interest in controlled corporation	21,463,466 (L)	9.50%
Fosun International Limited (復星國際有限公司)[7]	H Shares	Interest in controlled corporation	11,512,873 (L)	5.10%

REPORT OF THE DIRECTORS

(1) – (3) See "Report of the Directors – Interests and Short Positions of the Directors, Supervisors and the Chief Executive of Our Company in the Shares, Underlying Shares and Debentures of Our Company and Its Associated Corporations" in this annual report for more information.

(4) Ms. Chen (i) acted as the general partner of Ningbo Xiu'an; and (ii) acted as the general partner of Tianjin Duoying and Tianjin Piaoying, the latter of which was a limited partner holding 43.16% of the partnership interest in Tianjin Duoying. Under the SFO, Ms. Chen is deemed to be interested in the entire Shares held by Ningbo Xiu'an and Tianjin Duoying, and Tianjin Piaoying is deemed to be interested in the entire Shares held by Tianjin Duoying.

(5) Alibaba was an indirectly wholly-owned subsidiary of Alibaba Group Holding Limited, a company incorporated in the Cayman Islands, with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (ticker: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (stock code: 9988). Under the SFO, Alibaba Group Holding Limited and its intermediary subsidiary entities through which it holds interest in Alibaba, are deemed to be interested in the entire Shares held by Alibaba.

(6) Watertek, a company incorporated in the PRC with its shares listed on the Shenzhen Stock Exchange (stock code: 300324), was ultimately controlled by Mr. Chen Jiangtao. Under the SFO, Mr. Chen Jiangtao is deemed to be interested in the entire Shares held by Watertek.

(7) Shanghai Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司), Shanghai Fosun Weishi Fund (上海復星惟實一期股權投資基金合夥企業(有限合夥)) and Wuxi Fosun Venture Capital Investment Partnership (無錫復星創業投資合夥企業(有限合夥)) were ultimately controlled by Fosun International Limited, a company incorporated in Hong Kong and listed on the Stock Exchange (stock code: 656). As of the Latest Practicable Date, the general partner of Beijing Xingshi Investment Management Center (Limited Partnership) (北京星實投資管理中心(有限合夥)) was Beijing Xingyuan Innovation Equity Investment Fund Management Co., Ltd. (北京星元創新股權投資基金管理有限公司), an indirectly non-wholly-owned subsidiary of Fosun International Limited. Under the SFO, Fosun International Limited is deemed to be interested in the entire Shares held by Shanghai Fosun High Technology (Group) Co., Ltd., Shanghai Fosun Weishi Fund, Wuxi Fosun Venture Capital Investment Partnership and Beijing Xingshi Investment Management Center (Limited Partnership).

Save as disclosed above, as of December 31, 2025, the Directors, Supervisors and the chief executive of the Company are not aware of any other person (other than the Directors, Supervisors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be required to be recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

REPORT OF THE DIRECTORS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report during and at the end of the year ended December 31, 2025, neither the Company nor any of its subsidiaries was a party to any arrangement that would enable the Directors or any of their respective spouses or children under the age of 18 to acquire benefits by means of acquisition of the shares in, or debentures of, the Company or any other body corporate.

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

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As of December 31, 2025, the Company did not hold any treasury shares.

Details of movements in the share capital of the Company during the Reporting Period are set out in Note 34 to the consolidated financial statements.

MATERIAL ACQUISITIONS AND DISPOSALS AND SIGNIFICANT INVESTMENTS

Save as disclosed in the section headed "Management Discussion and Analysis-Material acquisitions and disposals and significant investment", we did not have other material acquisitions and disposals and significant investments during the year ended December 31, 2025.

NET PROCEEDS FROM THE GLOBAL OFFERING

The H Shares were listed on the Stock Exchange on the Listing Date by way of the Global Offering. The net proceeds raised from the Global Offering were approximately HK$228.9 million.

The net proceeds from the Global Offering (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilized in that same manner, proportion and the expected timeframe as set out in the Prospectus under the section headed "Future Plans and Use of Proceeds".

REPORT OF THE DIRECTORS

The table below sets out the planned and actual applications of the net proceeds up to December 31, 2025.

	Allocation of net proceeds from the Global Offering (HKD in millions)	Percentage of net proceeds (%)	Utilization up to December 31, 2025 (HKD in millions)	Unutilized proceeds as of December 31, 2025 (HKD in millions)
Solution upgrade and function enhancement	72.1	31.5	27.7	44.4
Research & development	67.3	29.4	44.0	23.3
Sales and marketing initiatives	44.2	19.3	–	44.2
Selective acquisitions and investment	26.3	11.5	5.4	20.9
Working capital and other general purposes	19.0	8.3	–	19.0
Total	228.9	100.0	77.1	151.8

To the extent that the net proceeds have not been immediately utilized, the balance has been deposited into short-term interest-bearing accounts at licensed commercial banks. The Board currently does not expect to change the intended use of net proceeds as previously disclosed in the Prospectus, and expects full utilization of the net proceeds raised from the Global Offering by December 31, 2029, subject to changes in light of the Company's evolving business needs and changing market conditions.

LITIGATION AND COMPLIANCE

During the Reporting Period, the Group did not commit any material non-compliance of the laws and regulations, and did not experience any non-compliance incident, which taken as a whole, in the opinion of the Directors, is likely to have a material and adverse effect on our business, financial condition or results of operations.

ANNUAL GENERAL MEETING

It is proposed that the AGM will be held on June 26, 2026. A notice convening the AGM will be published on the HKEX news website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.baiwang.com), and will be despatched to the Shareholders who have requested printed copy corporate communications (if applicable) in accordance with the requirements of the Listing Rules in due course.

FINAL DIVIDEND

The Board has resolved not to recommend payment of any final dividend for the year ended December 31, 2025 (the year ended December 31, 2024: 0).

REPORT OF THE DIRECTORS

DIVIDEND POLICY

The dividend policy of the Company aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the Shareholders.

The declaration, form, frequency and amount of dividend paid by the Company must be in accordance with relevant laws and regulations and subject to the Articles of Association.

The proposal of payment and the amount of dividends will be made at the discretion of the Board and will depend on the Company's general business condition and strategies, cash flows, financial results and capital requirements, the interests of the Shareholders, taxation conditions, statutory and regulatory restrictions, and other factors that our Board deems relevant. Any dividend distribution shall also be subject to the approval of the Shareholders in a Shareholders' general meeting.

All Shareholders are entitled to the same right to receive dividends and distributions distributed by shares or cash.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, June 23, 2026 to Friday, June 26, 2026, both days inclusive, during which period no transfer of Shares will be registered.

In order to be eligible to attend and vote at the AGM, all Share transfer documents accompanied by the corresponding share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Monday, June 22, 2026.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to its existing Shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities. If any of the Shareholders is unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, he or she is advised to consult an expert.

REPORT OF THE DIRECTORS

PERMITTED INDEMNITY PROVISION

The Company has maintained appropriate liability insurance policies for its Directors and senior management during the Reporting Period. Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour, or in which he/she is acquitted.

SUFFICIENCY OF PUBLIC FLOAT

Pursuant to Rule19A.28B(1)(a) of the Listing Rules, at all times, the portion of the Company's H Shares listed on the Stock Exchange and held by the public must constitute at least 25% of the total number of issued shares (excluding treasury shares) in the class of H Shares to which such shares belong. From information that is publicly available to the Company and within the knowledge of its Directors, the Company had complied with the public float requirement under the Listing Rules during the Reporting Period.

AUDIT COMMITTEE

As of the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Ng Kwok Yin, Mr. Tian Lixin and Dr. Song Hua, with Mr. Ng Kwok Yin being the chairman of the Audit Committee. The Audit Committee has reviewed the annual results of the Group for the year ended December 31, 2025 and has recommended for the Board's approval thereof.

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the consolidated financial statements of the Group for the year ended December 31, 2025. The Audit Committee considered that the annual results of the Group are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

This annual report is based on the audited consolidated financial statements of the Group for the year ended December 31, 2025.

INDEPENDENT AUDITOR

Upon the approval by Shareholders of the Company at the annual general meeting held on June 27, 2025, the Company has appointed Rongcheng (Hong Kong) CPA Limited as the independent auditor of the Company for the year 2025, following the retirement of Deloitte Touche Tohmatsu. The consolidated financial statements of the Group for the year ended December 31, 2025 have been audited by Rongcheng (Hong Kong) CPA Limited.

DONATION

During the year ended December 31, 2025, the Group made donations of RMB430,000.

REPORT OF THE DIRECTORS

NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

Our Controlling Shareholders have confirmed that none of them or any of their respective close associates had any interest in a business that competes or is likely to compete, either directly or indirectly, with our business, which is subject to disclosure pursuant to Rule 8.10 of the Listing Rules during the year ended December 31, 2025.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code and the Company has adopted the CG Code as its own code of corporate governance.

Save as disclosed in this annual report, the Company had complied with the code provisions set out in the Corporate Governance Code during the Reporting Period. Detailed information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 68 to 86 of this annual report.

H Share Full Circulation

Reference is made to the announcements of the Company dated March 10, 2025, October 1, 2025, November 21, 2025 and December 28, 2025. On March 10, 2025, the Company submitted an application to the CSRC in respect of the conversion of 135,064,706 domestic shares of the Company with par value of RMB1.00 per share into H shares (the "**H Share Full Circulation**"). The Company had received a filing notice dated September 29, 2025 issued by the CSRC in respect of the implementation of the H Share Full Circulation and received the approval granted by the Stock Exchange on November 17, 2025, for the listing of and permission to deal in 135,064,706 H Shares, representing the maximum number of the domestic Shares to be converted under the Conversion and Listing. The listing of such H Shares on the Stock Exchange commenced at 9:00 a.m. on December 19, 2025. Upon completion of H Share Full Circulation and as at December 31, 2025, the total share capital of the Company was 225,906,754 Shares, all of which were H Shares.

SHARE INCENTIVE SCHEMES

2025 Share Incentive Scheme (ESOP Platforms)

The 2025 Share Incentive Scheme (ESOP Platforms) was approved and adopted by the Company on June 27, 2025. The terms of the 2025 Share Incentive Scheme (ESOP Platforms) are subject to the provisions of Chapter 17 of the Listing Rules. Summary of major terms of the Schemes is as follows:

(i) Purposes of the 2025 Share Incentive Scheme (ESOP Platforms)

The purpose of the 2025 Share Incentive Scheme (ESOP Platforms) is to further improve the corporate governance structure, promote a performance culture that is oriented towards value creation, fully incentivize senior management and other personnel, effectively align the interests of Shareholders, the Company, and the operators, and enable all parties to focus on the long-term development of the Company.

REPORT OF THE DIRECTORS

(ii) Grantees of the 2025 Share Incentive Scheme (ESOP Platforms)

The Grantees under the 2025 Share Incentive Scheme (ESOP Platforms) are the senior management members and core employees of the Company.

A person shall not be considered as eligible for being granted the Restricted Shares under the 2025 Share Incentive Scheme (ESOP Platforms) if he/she:

(1) is prohibited from serving as a senior management member of the Company as stipulated by the Company Law of the PRC (中華人民共和國公司法) (the "**Company Law**"), the Securities Law of the PRC (中華人民共和國證券法) (the "**Securities Law**"), the rules and regulations of the securities authority of the listing place, and other relevant laws, regulations and rules, or determined by the securities authority of the listing place and the Stock Exchange;

(2) is criminally punished for violation of laws or regulations; or

(3) is prohibited from participating in a share incentive scheme by the Company Law, the Securities Law, the rules and regulations of the securities authority of the listing place, and other relevant laws, regulations and rules, and the Articles or other internal governance documents of the Company, or determined by the securities authority of the listing place and the Stock Exchange.

(iii) Scheme Limit

No more than 5,500,000 Restricted Shares (representing 2.4346% of the total issued share capital of the Company as at the adoption date of this Scheme) represented by the proprietary interest in the Shareholding Platforms can be granted to the Grantees.

(iv) Limit for each Grantee

In any event, within a period of 12 months from the Grant Date (inclusive) of the Restricted Shares, the maximum number of Restricted Shares granted to any single Grantee shall not exceed 2% of the total issued share capital of the Company in aggregate as of the Grant Date. The specific number of Shares shall be determined by the Board within such range.

(v) Grant of Restricted Shares

Upon adoption of the 2025 Share Incentive Scheme (ESOP Platforms), the Incentive Scheme Administrator shall, under the authorization of the Board, arrange the Company and the Grantees to enter into the grant agreements and other relevant legal documents, thereby stipulating the rights and obligations of the parties. The Incentive Scheme Administrator is responsible for handling the specific matters in relation to the grant of the Restricted Shares and the relevant industrial and commercial filings (if any).

REPORT OF THE DIRECTORS

The Board and/or the Incentive Scheme Administrator(s) shall not grant Restricted Shares during the following periods:

(1) during the period from any time when inside information of the Company arises and up to the date of the announcement of such inside information;

(2) during the period commencing 60 days immediately preceding the publication date of the annual results and ending on the date of publication (both days inclusive);

(3) during the period commencing 30 days immediately preceding the publication date of the interim results and quarterly results (if applicable) and ending on the date of publication (both days inclusive); or

(4) other restrictions stipulated by the laws and regulations of the places where the Company is incorporated or listed, the China Securities Regulatory Commission (中國證券監督管理委員會) (the "**CSRC**"), the Securities and Futures Commission of Hong Kong (the "**SFC**") and the Stock Exchange.

(vi) Unlocking of the Restricted Shares

The Lock-up Period shall be the period from the grant date of the relevant Restricted Shares to the date of Unlocking. Subject to the relevant laws and regulations, the Unlocking shall be implemented in accordance with the terms of the grant agreements.

(vii) Grant Price

The grant price of each Restricted Share underlying the 2025 Share Incentive Scheme (ESOP Platforms) is RMB2.51/Share or the equivalent amount in Hong Kong dollars.

(viii) Remaining life of the 2025 Share Incentive Scheme (ESOP Platforms)

The 2025 Share Incentive Scheme (ESOP Platforms) will be valid and effective for a period of ten years commencing on June 27, 2025. For further information of the 2025 Share Incentive Scheme (ESOP Platforms) and related information, please refer to the circular of the Company dated June 3, 2025, and the poll results announcement of the AGM dated June 27, 2025 of the Company.

REPORT OF THE DIRECTORS

The 2025 Share Incentive Scheme (Trust Units)

The 2025 Share Incentive Scheme (Trust Units) was approved and adopted by the Company on June 27, 2025. The terms of the 2025 Share Incentive Scheme (Trust Units) are subject to the provisions of Chapter 17 of the Listing Rules. Summary of major terms of the Schemes are as follows:

(i) Purposes of the 2025 Share Incentive Scheme (Trust Units)

The purpose of the 2025 Share Incentive Scheme (Trust Units) is to further improve the corporate governance structure, promote a performance culture that is oriented towards value creation, fully incentivize senior management and other personnel, effectively align the interests of Shareholders, the Company, and the operators, and enable all parties to focus on the long-term development of the Company.

(ii) Grantees of the 2025 Share Incentive Scheme (Trust Units)

The Grantees under the 2025 Share Incentive Scheme (Trust Units) are the senior management members and core employees of the Company.

A person shall not be considered as eligible for being granted the Restricted Shares under the 2025 Share Incentive Scheme (Trust Units) if he/she:

(1) is prohibited from serving as a senior management member of the Company as stipulated by the Company Law, the Securities Law, the rules and regulations of the securities authority of the listing place, and other relevant laws, regulations and rules, or determined by the securities authority of the listing place and the Stock Exchange;

(2) is criminally punished for violation of laws or regulations; or

(3) is prohibited from participating in a share incentive scheme by the Company Law, the Securities Law, the rules and regulations of the securities authority of the listing place, and other relevant laws, regulations and rules, and the Articles or other internal governance documents of the Company, or determined by the securities authority of the listing place and the Stock Exchange.

(iii) Scheme Limit

No more than 11,295,337 Restricted Shares (representing 5% of the total issued share capital of the Company as at the adoption date of the (Trust Units) Schemes) represented by the Trust Units of the Trust administered by the Trust Administrator under the 2025 Share Incentive Scheme (Trust Units) can be granted to the Grantees.

(iv) Limit for each Grantee

In any event, within a period of 12 months from the Grant Date (inclusive) of the Trust Units, the maximum number of Trust Units granted to any single Grantee shall not exceed 2% of the total issued share capital of the Company in aggregate as of the Grant Date. The specific number of Shares shall be determined by the Board within such range.

REPORT OF THE DIRECTORS

(v) Grant of Trust Units

Upon adoption of the 2025 Share Incentive Scheme (Trust Units), the Incentive Scheme Administrator shall, under the authorization of the Board, arrange the Company and the Grantees to enter into the grant agreements and other relevant legal documents, thereby stipulating the rights and obligations of the parties. The Incentive Scheme Administrator is responsible for handling the specific matters in relation to the grant of the Trust Units and the relevant industrial and commercial filings (if any).

The Board and/or the Incentive Scheme Administrator(s) shall not grant Trust Units during the following periods:

(1) during the period from any time when inside information of the Company arises and up to the date of the announcement of such inside information;

(2) during the period commencing 60 days immediately preceding the publication date of the annual results and ending on the date of publication (both days inclusive);

(3) during the period commencing 30 days immediately preceding the publication date of the interim results and quarterly results (if applicable) and ending on the date of publication (both days inclusive); or

(4) other restrictions stipulated by the laws and regulations of the places where the Company is incorporated or listed, the CSRC, the SFC and the Stock Exchange.

(vi) Unlocking of the Restricted Shares

The Lock-up Period shall be the period from the grant date of the relevant Restricted Shares to the date of Unlocking. Subject to the relevant laws and regulations, the Unlocking shall be implemented in accordance with the terms of the grant agreements.

(vii) Grant Price

The grant price of each Restricted Share underlying the 2025 Share Incentive Scheme (Trust Units) is nil. The Board shall make corresponding adjustments if there are mandatory adjustments in the grant price due to changes in the market, the relevant laws and regulations, and the rules of the securities authority of the place where the Company is listed, or comments raised by the relevant securities regulatory authorities.

(viii) Remaining life of the 2025 Share Incentive Scheme (Trust Units)

The 2025 Share Incentive Scheme (Trust Units) will be valid and effective for a period of ten years commencing on June 27, 2025. For further information of the 2025 Share Incentive Scheme (Trust Units) and related information, please refer to the circular of the Company dated June 3, 2025, and the poll results announcement of the AGM dated June 27, 2025 of the Company.

As of December 31, 2025, no Trust Units have been granted, vested, cancelled or lapsed since the adoption of the 2025 Share Incentive Scheme (Trust Units).

REPORT OF THE DIRECTORS

Grant and Unlocking of Incentive Shares during the Reporting Period

During the Reporting Period, the Company did not grant any incentive shares under the 2025 Share Incentive Scheme (Trust Units).

During the Reporting Period, under the 2025 Share Incentive Scheme (ESOP), the Company granted proprietary interest in the shareholding platform representing 5,260,000 incentive shares, of which 4,450,000 incentive shares lapsed due to the resignation of the relevant grantees. Details of the movements of such incentive shares during the Reporting Period are set out as follows:

Name	Position	Grant date	Number of incentive shares granted	Grant price (RMB)	Closing price immediately preceding the grant date (HK$/share)	Number of incentive shares lapsed as of January 1, 2025	Number of unvested incentive shares as of January 1, 2025	Number of incentive shares lapsed/forfeited during 2025	Number of incentive shares vested during 2025	Cumulative number of incentive shares lapsed as of December 31, 2025	Number of incentive shares yet to be vested as of December 31, 2025
Fu Yingbo	Former executive Director	July 29, 2025	3,000,000	2.51	19	–	–	3,000,000	–	3,000,000	0
Four highest paid individuals during the Reporting Period, excluding Fu Yingbo		July 29, 2025	750,000	2.51	19	–	–	450,000	–	450,000	300,000
Other grantees (management and core employees who make outstanding contributions to the Company's sustainability, development and long-term growth)		July 29, November 29, December 4, 2025	1,510,000	2.51	16	–	–	1,000,000	–	1,000,000	510,000
Total			**5,260,000**	**–**		**–**	**–**	**4,450,000**	**–**	**4,450,000**	**810,000**

Details of the accounting standards adopted and the fair values of the above incentive shares at the grant date are set out in note 4.10 and note 35 to the consolidated financial statements of this report.

During the Reporting Period, no incentive shares were cancelled under the 2025 Share Incentive Scheme (ESOP).

REPORT OF THE DIRECTORS

SUBSEQUENT EVENT

Save as disclosed above, as of the date of this annual report, the Company had no significant events after the Reporting Period which need to be disclosed.

APPRECIATION

The Board would like to express our sincere gratitude to customers and business partners for their trust in the Company, our staff and management team for their diligence, dedication, loyalty and integrity, and our Shareholders for their continuous support.

By order of the Board of Directors
Baiwang Co., Ltd.
Ms. Chen Jie
Chairlady

Hong Kong
March 24, 2026

REPORT OF THE BOARD OF SUPERVISORS

In 2025, all members of the Board of Supervisors, in strict compliance with the Company Law and other relevant laws, the Listing Rules and the Articles of Association and other relevant regulations, abided by the principle of good faith, conscientiously performed their supervisory duties in an attitude of responsibility to all shareholders, actively carried out their work, attended the meetings of the Board of Supervisors, the Board meetings and the general meetings, conducted effective supervision over the Company's operation in accordance with the law, its financial position and the performance of duties by the Directors and the management, and promoted the standardised operation of the Company.

I. BASIC COMPOSITION OF THE BOARD OF SUPERVISORS

The Board of Supervisors shall consist of three Supervisors. The appointment and dismissal of the chairman of the Board of Supervisors shall be determined by two-thirds or more of the members of the Board of Supervisors. When the chairman of the Board of Supervisors is unable or fails to perform his or her duty, a supervisor jointly recommended by more than half of the supervisors shall convene and preside over the meeting of the Board of Supervisors. Each Supervisor has a term of three years and may be re-elected upon expiry of the term.

The members of the Board of Supervisors are composed of one shareholder representative Supervisor and two employee representative Supervisors. Directors, general manager and other senior officers of the Company shall not concurrently serve as Supervisors.

The Board of Supervisors consists of three Supervisors, the details of which are as follows:

LI Yunfeng (Chairman of our Board of Supervisors, Supervisor and Director of human resources department)
SHI Haixia (Supervisor and senior executive assistant)
LUO Wenhong (Supervisor)

II. OVERALL RESPONSIBILITIES OF THE BOARD OF SUPERVISORS

The Board of Supervisors is the supervisory body of the Company and performs its duties strictly in accordance with the Company Law, Listing Rules and Articles of Association. The Board of Supervisors is responsible for supervising the performance of the Board of Directors and senior management, the Company's financial operations, internal control and risk management.

REPORT OF THE BOARD OF SUPERVISORS

III. WORK OF THE BOARD OF SUPERVISORS

During the Reporting Period, the Board of Supervisors convened 2 meetings and considered 4 resolutions. All members of the Board of Supervisors attended in person and discussed and reviewed relevant resolutions, including considering resolutions such as the resolution regarding the Amendments to the Rules of Procedure for the Board of Supervisors.

The attendance record of the meetings of the members of the Board of Supervisors is as follows:

Name	Number of meeting required to be attended	Number of meeting attended
Li Yunfeng	2	2
Shi Haixia	2	2
Luo Wenhong	2	2

During the Reporting Period, the members of the Board of Supervisors attended the general meetings and the Board meetings of the Company, put forward relevant opinions and suggestions with a serious and responsible attitude, conducted supervision on the procedures and content of the meetings, and effectively supervised the decision-making procedures, operations in compliance with laws and regulations and financial conditions of the Company's business, as well as the duty performance of the Directors and management in the daily operations of the Company, which safeguarded the legal interests of the Company and the Shareholders.

IV. BASIC EVALUATION OF THE BOARD OF SUPERVISORS ON THE OPERATION BEHAVIOUR OF THE BOARD AND SENIOR MANAGEMENT

During the year ended December 31, 2025, through supervising the Directors and senior management, the Board of Supervisors believed that the Company's major business decision-making procedures were legal and effective; when performing their duties, the Directors and senior management earnestly implemented the laws and regulations of the PRC, the Articles of Association and the resolutions of the general meetings and the Board meetings, and there was no behavior that harmed the interests of the Company and the Shareholders and no violations committed by the Directors or senior management were found during operations.

REPORT OF THE BOARD OF SUPERVISORS

V. INDEPENDENT OPINION ON THE RELEVANT MATTERS OF THE COMPANY DURING THE REPORTING PERIOD

(I) Independent Opinion of the Board of Supervisors on the Company's Operations in Compliance with Laws and Regulations

In 2025, the Board of Supervisors supervised the convening procedures and resolutions of the general meetings and the Board meetings of the Company, the implementation of resolutions of the Company's general meetings by the Board, and the performance of duties of senior management in accordance with the power authorized by the PRC Company Law and the Articles of Association.

The Board of Supervisors believed that the Company's decision-making procedures complied with the relevant provisions of the PRC Company Law, the Articles of Association and the Listing Rules, and the Board has standardized operations, legal procedures, reasonable decisions, and conscientiously implemented each resolution of the general meetings. The Directors and senior management were loyal and diligent and conscientious when they performed their duties, and the Board of Supervisors was not aware of any violation of laws, regulations, the Articles of Association or damage to the interests of the Company. Each resolution of the general meetings has been implemented.

(II) Independent Opinion of the Board of Supervisors on the Company's financial situation

The Board of Supervisors supervised the Company's finances and considered that the Company's financial system was sound and its financial operations were in good condition. It also considered that the Company strictly complied with the requirements of the corporate accounting system, accounting standards and other relevant financial regulations. At the same time, the Board of Supervisors carefully reviewed the financial statements for the year 2025 audited by an independent auditor with an unmodified opinion to be submitted by the Board of Directors to the general meetings, and other relevant materials, and was of the view that the financial report followed the principle of consistency, and objectively, accurately and truthfully reflected the financial conditions and operating results of the Company.

(III) Independent Opinion of the Board of Supervisors on the Company's Connected Transactions

The Board of Supervisors reviewed the information relating to the connected transactions of the Company during the year and was of the view that the relevant connected transactions of the Company had been carried out in strict accordance with the relevant systems and agreements on connected transactions, in compliance with the principles of fairness and reasonableness and had not been detrimental to the interests of the Company and its shareholders.

REPORT OF THE BOARD OF SUPERVISORS

VI. WORK PLAN FOR 2026

In 2026, the Board of Supervisors will continue to perform its supervisory functions well, exercise its supervisory powers independently in accordance with the law, fulfil its obligations of loyalty and diligence in strict accordance with the relevant laws such as the Company Law, the Listing Rules and the Articles of Association, effectively safeguard the interests of the Company and the shareholders at large, and ensure the standardised and healthy operation of the Company.

1. Carry out daily discussion activities. The Company will convene meetings of the Board of Supervisors based on the actual situation of the Company to review various proposals;

2. Strengthen the implementation of supervisory functions. The Company will strengthen the supervision of Directors and senior management in the performance of their duties, implementation of resolutions and compliance with regulations, strengthen the supervision and correction of irregularities, dereliction of duty and inaction of senior management to promote more standardised and lawful decision-making and business activities, carry out focused supervision of the implementation of the Company's major business decisions, major asset acquisitions, foreign investments and other matters, and regularly understand and review the Company's financial reports to effectively prevent business risks;

3. Learn laws and regulations and relevant policies. The Company will carefully study the laws, regulations and relevant policies updated from time to time to continuously promote the construction of the Company's internal control system, to promote the Company's long-term mechanism of sound and standardised governance, and to safeguard the Company's sustainable and healthy development; and

4. Members of the Board of Supervisors shall be diligent and conscientious. The Company will pay close attention to the Company's production, operation, management and major initiatives on a daily basis, participate in the Board meetings, general meetings and other important meetings of the Company and actively put forward opinions or suggestions.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report contained in the Company's annual report for the year ended December 31, 2025.

CORPORATE GOVERNANCE PRACTICES

The Board recognizes the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts to formulating and implementing corporate governance practices appropriate to the Company's needs. The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices.

Save as disclosed in the Corporate Governance Report, during the Reporting Period, the Company had complied with all applicable code provisions under the CG Code.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code. Key corporate governance principles and practices of the Company are summarized below.

BOARD OF DIRECTORS

Responsibilities, Accountabilities and Contributions of the Board

Direction and control of the Company's business are vested in the Board. The Board establishes policies, strategies and plans for the development of the Company's business, and provides leadership in the creation of value for Shareholders. All Directors have carried out their duties in good faith, have been in compliance with applicable laws and regulations, have taken decisions objectively and have acted in the interests of the Company and its Shareholders at all times. The Directors shall disclose to the Company details of other offices held by them.

The Board takes responsibility for all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (particularly those involving conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

The Board regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them.

CORPORATE GOVERNANCE REPORT

The day-to-day management, administration and operation of the Company are led by the Board and senior management of the Company. The Board has delegated a schedule of responsibilities to the management for implementing Board decisions, and directing and coordinating the daily operation and management of the Company. The Board reviews the delegated functions and work tasks regularly. The management has to obtain Board approval prior to entering into any significant transactions. The Board provides full support to the senior management to discharge its responsibilities.

If a Substantial Shareholder or a Director has a potential conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the relevant Director shall abstain from voting and a Board meeting attended by independent non-executive Directors who, and whose close associates, have no material interest in the matter shall be held to discuss and vote on the same.

According to the code provision D.1.2 of Part 2 of the CG Code, the management shall provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.09 and Chapter 13 of the Listing Rules. The Company has provided all members of the Board monthly updates of financial, compliance and operation matters to enhance the corporate governance of the Group and provide more adequate and complete information to the Board in a timely manner.

The Company has arranged appropriate insurance coverage on Directors' liabilities in respect of any legal actions taken against Directors arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Board Composition

The composition of the Board as at the date of this annual report is as follows:

Executive Directors	Ms. Chen Jie *(Chairlady of the Board)* Mr. Zou Yan Ms. Jin Xin
Non-executive Directors	Mr. Huang Miao Mr. Diao Juanhuan
Independent Non-executive Directors	Mr. Tian Lixin Dr. Wu Changhai Dr. Song Hua Mr. Ng Kwok Yin

CORPORATE GOVERNANCE REPORT

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The biographical details of the Directors and the relationships among the members of the Board are disclosed in the section headed "Directors, Supervisors and Senior Management" in this annual report. To the best of the knowledge of the Company, there is no other financial, business, family or other material/relevant relationship among the members of the Board.

During the Reporting Period, the Board at all times met the requirement of the Listing Rules 3.10 and 3.10A of having a minimum of three independent non-executive Directors (representing at least one-third of the Board) with one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

Board Independence

The Company recognizes that Board independence is key to good corporate governance.

The composition of the Board reflects the necessary balance of skills and experience appropriate for the business requirement and objectives of the Group and for the exercise of independent judgement. The executive Directors are responsible for the businesses and functional divisions of the Group. The non-executive Director scrutinizes the performance of management in achieving agreed corporate goals and objectives and monitors the Group's performance reporting. The independent non-executive Directors bring different businesses and financial expertise, experiences and independent judgement to the Board and they constitute the majority of the Audit Committee, Remuneration and Appraisal Committee, and Nomination Committee. Through participation in Board meetings and taking the lead in managing issues involving potential conflicts of interests, the independent non-executive Directors have made contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the Shareholders.

To the best of the knowledge of the Directors, the Directors and senior management have no financial, business, family or other material/relevant relationships with one another. The Company has received a written annual confirmation from each independent non-executive Director of his/her independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules and remain independent.

The Company has implementable and effective mechanisms to ensure independent views and input are available to the Board. All Directors have timely access to all relevant information as well as the advice and services of the company secretary and senior management of the Company, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Any Director may seek independent professional advice in appropriate circumstances at the Company's expenses, upon reasonable request made to the Board. During the period from 1 January 2025 and up to the date of this annual report, the Board has reviewed the board independence mechanisms and considered that the implementation of the mechanisms was effective.

CORPORATE GOVERNANCE REPORT

The Nomination Committee annually assesses the independence of each independent non-executive Director during his term of appointment. The Company received from each of the independent non-executive Directors a written confirmation of his/her independence pursuant to Rule 3.13 and paragraph 12B of the Appendix D2 to the Listing Rules. Based on such confirmations and the report of the Nomination Committee, the Company considers that all the independent non-executive Directors continue to demonstrate strong independence and all remain independent. The Board has reviewed the implementation and effectiveness of the mechanisms and considered them to be effective for the Relevant Period.

Chairlady and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairlady and chief executive should be separate and should not be performed by the same individual. To achieve clear division of responsibilities between the management of the Board and day-today management of the business and hence to ensure balance of power and authority, there is separation of duties for the chairlady and chief executive officer of the Company.

Currently, the positions of chairlady and chief executive officer are both held by Ms. Chen Jie, who is the founder of the Group and has been operating and managing the Group since its establishment. The Board is of the view that Ms. Chen Jie has played an important role in the growth and business expansion of the Group. The Board considers that it is beneficial to the management of the Company that she serves as both the chairlady of the Board and the chief executive officer, and therefore does not currently propose to separate the roles of the chairlady of the Board and the chief executive officer.

While this will constitute a deviation from code provision C.2.1 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that:

(i) there is sufficient check and balance in the Board as the decision to be made by the Board requires approval by at least a majority of the Directors, and the Board has two non-executive Directors as well as four independent non-executive Directors out of the nine Directors, which is in compliance with the Listing Rules;

(ii) Ms. Chen Jie and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interest of the Company and make decisions for the Company accordingly;

(iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Company; and

(iv) the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Company to assess whether separation of the roles of the chairman of the Board and the chief executive officer of the Company is necessary.

CORPORATE GOVERNANCE REPORT

Appointment and Re-election of Directors

Each Director (including the non-executive Directors and independent non-executive Directors) has entered into a service contract with the Company for a term of three years. Under the Articles of Association, Directors (including non-executive Directors) shall be elected at the general meeting with a term of three years. Upon the expiration of their term, Directors may be reelected and reappointed. A Director shall continue to perform his duties in accordance with the laws, administrative regulations and Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Training and Continuing Professional Development of Directors

The Directors keep abreast of regulatory developments and changes and of the conduct, business activities and development of the Company in order to effectively perform their responsibilities.

Every newly appointed Director has received a comprehensive, formal and tailored induction on his/her appointment to ensure appropriate understanding of the business and operations of the Group and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction is normally supplemented with meetings with the senior management of the Company.

The Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Continuing briefings and professional development for the Directors are arranged whenever necessary. In addition, reading materials relating to the Company's business or Directors' duties and responsibilities, updates on salient laws, corporate governance, regulations applicable to the Group are provided by the Company to the Directors from time to time for their studying and reference. All Directors are encouraged to attend relevant training courses at the Company's expenses.

The Directors are required to submit to the Company details of the training they received in each financial year for the Company's maintenance of proper training records of the Directors. During the year ended December 31, 2025, Ms. Chen Jie, Mr. Zou Yan, Ms. Jin Xin, Mr. Huang Miao, Mr. Diao Juanhuan, Mr. Tian Lixin, Dr. Wu Changhai, Dr. Song Hua, and Mr. Ng Kwok Yin attended training sessions on regulatory development, directors' duties or other relevant topics. In addition, relevant reading materials have been provided by the Company to the Directors for their studying and reference.

Model Code for Securities Transactions

The Company has adopted the Model Code as the code of conduct regarding the Directors' and the Supervisors' dealings in the securities of the Company. Having made specific enquiry of all the Directors and Supervisors, all Directors and Supervisors confirmed that they have complied with the provisions of the Model Code during the Reporting Period.

CORPORATE GOVERNANCE REPORT

The Company has also established written guidelines for securities transactions by employees who are likely to be in possession of inside information of the Company on terms no less exacting than the Model Code. Specific enquiry has been made of all the Directors and they have confirmed their compliance with the Model Code throughout the Relevant Period. In addition, no incident of non-compliance of the written guidelines by the employees has been noted by the Company.

In case the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its directors and relevant employees in advance.

Board Practices and Conduct of Meetings

Annual Board meeting schedules and draft agenda of each meeting are normally made available to the Directors in advance. Board meetings are held at least four times a year, approximately once per quarter, convened by the Chairlady of the Board, with a written notice sent to all Directors and Supervisors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least three days before each Board meeting or committee meeting to keep Directors apprised of the latest development and financial position of the Company and to enable them to make decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

The senior management normally will attend regular Board meetings and where necessary, other Board and committee meetings, to advise on business development, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company. The Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at the meetings for approving transactions in which such Directors or any of their associates have a material interest.

The secretary of the meetings is responsible for taking and keeping minutes of all Board meetings and committee meetings. Minutes of Board meetings and committee meetings record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed.

Draft minutes are normally circulated to all the Directors for comment within a reasonable time after each meeting. Final versions of the minutes are sent to the Directors for their records and are open for their inspection.

CORPORATE GOVERNANCE REPORT

Attendance Records of Directors and Committee Members

The attendance records of each Director at the Board and Board Committee meetings of the Company during the Reporting Period are set out in the table below:

	Attendance/Number of Meetings			
Director Names	Board	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee
Ms. Chen Jie	8	–	–	1
Mr. Fu Yingbo (resigned on November 28, 2025)	6	–	3	–
Mr. Zou Yan	8	–	1	–
Ms. Jin Xin	8	–	–	–
Mr. Huang Miao	8	–	–	–
Mr. Diao Juanhuan	8	–	–	–
Mr. Tian Lixin	8	4	–	1
Dr. Wu Changhai	8	–	4	–
Dr. Song Hua	8	4	–	1
Mr. Ng Kwok Yin	8	4	4	–

In addition, Ms. Chen Jie, the chairlady of the Board, held a meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

Board Committees and Corporate Governance Functions

The Board has established the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee for overseeing particular aspects of the Company's affairs. The Board committees have sufficient resources to execute their requisite duties. All the Board committees should report to the Board on their decisions or recommendations made. The terms of reference of the Audit Committee, Remuneration and Appraisal Committee and Nomination Committee are published on the websites of the Stock Exchange and the Company and are available to Shareholders upon request.

AUDIT COMMITTEE

The Audit Committee comprised three independent non-executive Directors, namely, Mr. Ng Kwok Yin (Chairman), Mr. Tian Lixin and Dr. Song Hua. Mr. Ng Kwok Yin has the appropriate professional qualifications as required under Rule 3.10(2) and 3.21 of the Listing Rules. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

CORPORATE GOVERNANCE REPORT

The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of the Group and its terms of reference are in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the CG Code.

During the Reporting Period, the Audit Committee held 4 meetings to review the annual financial statements, results announcement and report for the twelve months ended December 31, 2024 and the interim financial statements, results announcement and report for the six months ended June 30, 2025 and discuss the nature, plan and scope of the Group's audit and the audit fee for the year ended December 31, 2025, major audit findings, significant issues on the financial reporting and compliance procedures, internal control and risk management systems, the effectiveness of the Company's internal audit function, scope of works and re-appointment of external auditors and arrangements for employees to raise concerns about possible improprieties.

The external auditors were invited to attend two Audit Committee meetings during the Relevant Period without the presence of executive Directors to discuss with the Audit Committee issues arising from the audit and financial reporting matters. There is no disagreement between the Board and the Audit Committee regarding the re-appointment of external auditors.

REMUNERATION AND APPRAISAL COMMITTEE

The Remuneration and Appraisal Committee comprised two independent non-executive Directors and one executive Director, namely, Dr. Wu Changhai (Chairman), Mr. Zou Yan and Mr. Ng Kwok Yin.

The Remuneration and Appraisal Committee is mainly responsible for making recommendations to the Board and evaluating the remuneration policies for Directors, Supervisors and senior management of the Group and making recommendations thereon to the Board of Directors and its terms of reference are in compliance with relevant laws and regulations of the PRC and paragraph E.1.2(c)(ii) of the CG Code. The Remuneration and Appraisal Committee is also responsible for reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

During the Reporting Period, the Remuneration and Appraisal Committee held 4 meetings to review and discuss the remuneration policy and structure and the remuneration packages of the Directors and senior management of the Group and other resolutions.

CORPORATE GOVERNANCE REPORT

Pursuant to code provision E.1.5 of the CG Code, the annual remuneration of the senior management by band for the year ended December 31, 2025 is set out below:

Remuneration Band (HK$)	Number of senior management
HKD1 to HKD1,000,000	1
HKD1,000,001 to HKD1,500,000	1
HKD1,500,001 to HKD2,000,000	2
	4

Details of the remuneration of each director of the Company for the year ended December 31, 2025 are set out in Note 18 to the consolidated financial statements contained in this annual report. For details of the remuneration policy of Directors of the Company, please refer to the relevant disclosures in section headed "Report of the Directors" in this annual report.

NOMINATION COMMITTEE

The Nomination Committee comprised one executive Director and two independent non-executive Directors, namely, Ms. Chen Jie (Chairlady), Mr. Tian Lixin and Mr. Song Hua.

The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors, Supervisors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and its terms of reference are in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of Part 2 of the CG Code.

To comply with Rule 13.92 of the Listing Rules and CG Code, the Company recognizes and embraces the benefits of having a diverse Board to enhance its performance and has adopted a board diversity policy aiming to set out the approach to nominate directors and achieve diversity on the Board. The implementation of the policy is monitored by the Nomination Committee. All Board members shall be appointed on the basis of merit, and the benefits of diversity (including gender diversity) of the Board shall be fully taken into account in the consideration of candidates on appropriate terms. In designing the Board's composition, board diversity has been considered from a number of measurable objectives, including but not limited to a balance of skills, professional experience, cultural and educational background, knowledge and industry and regional experience, age and gender. The Nomination Committee shall report its findings and make recommendations to the Board, if any. Such policy and objectives will be reviewed from time to time and at least on an annual basis to ensure their appropriateness in determining the optimum composition of the Board.

CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining gender diversity on the Board and at the working level, including senior management. In particular, the Company will strive to maintain that the Board and senior management have at least one member who is not of the same gender as the other members. As of December 31, 2025, the Board has two female Directors out of 9 Directors, representing approximately 22.2% of the Board. As of December 31, 2025, the Group had a total of 258 female staff, representing 34.2% of the employees of the Group. The Company will continue to pay attention to the cultivation of female talents, promote gender diversity in the recruitment of middle and senior staff, and provide more development opportunities for female employees. For further details, please refer to the "Environmental, Social and Governance Report" of this annual report.

During the Reporting Period, the Board has reviewed the Policy of Director Nomination and Board Diversity and considered that the implementation of the policy was effective.

During the Reporting Period, the Nomination Committee held 2 meetings to review the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group and reviewed the implementation and effectiveness of the Policy of Director Nomination and Board Diversity and assessed the independence of the independent non-executive Directors; and considered and made recommendations to the Board on the election of a director, select and recommend candidates for directorship.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the Reporting Period, the Board has reviewed the Company's corporate governance policies and practices, the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance with the Model Code and the Guidelines for Securities Dealings by relevant employees, and the Company's compliance with the CG Code and the disclosure in this Corporate Governance Report.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended December 31, 2025.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements. The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The management provides all members of the Board with monthly updates on the Company's performance, positions and prospects.

CORPORATE GOVERNANCE REPORT

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is fully responsible for evaluating and determining the nature and extent of the risks it is willing to take to achieve the Company's strategic objectives, and for establishing and maintaining appropriate and effective risk management and internal control systems to safeguard Shareholders' investments and the Group's assets.

The Audit Committee assists the Board in overseeing the design and implementation of the risk management and internal control systems. The Company has developed and adopted different risk management procedures and guidelines. Self-evaluation would be conducted each year to confirm that the Company has properly complied with the risk management and internal control policy. The audit department would conduct internal control assessment to identify risk factors with potential impact on the Group's business. The management would assess the likelihood of risk occurrence, monitor the progress of risk management and report to the Board and the Audit Committee on the findings and effectiveness of the systems. The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended December 31, 2025.

The Group has developed its disclosure policy to provide a general guide to the Company's directors, officers, senior management and relevant employees in handling confidential information (including inside information), monitoring information disclosure and responding to enquiries. All departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security.

The Company has recruited experienced personnel for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

CORPORATE GOVERNANCE REPORT

The Board, as assisted by the Audit Committee and the management, has reviewed the report from the management and the internal audit findings, and reviewed the effectiveness of the risk management and internal control systems of the Group, including the financial, operational and compliance controls for the year ended December 31, 2025. The annual review also covered areas on the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting, internal audit and financial reporting functions as well as those relating to the Company's environmental, social and governance performance and reporting. The Audit Committee considered that such systems are adequate and effective and ongoing review of the same nature would be conducted in subsequent years.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

In conducting all business operations or affairs, we strictly comply with the applicable laws and regulations, including but not limited to the Anti-Unfair Competition Law of the People's Republic of China, the Prevention of Bribery Ordinance (Cap. 201) of the Hong Kong Special Administrative Region and other relevant laws and regulations. Adhering to integrity as the foundation of compliance, we are committed to maintaining high standards of commercial integrity, ethical compliance, fairness, and transparency, adopting a "zero-tolerance" approach toward corruption and bribery.

Construction of the Anti-Fraud System and Promotion of the Integrity Culture:

We continuously improve our internal systems and management systems to enhance our risk prevention and management capabilities in the aspect of anti-fraud. Internally, we foster an integrity-driven culture to create a positive and fair workplace environment. Externally, we create a fair, transparent, honest and efficient cooperation environment.

We have formulated the "Baiwang Sunshine Workplace Policy Compendium (《百望陽光職場制度彙編》)" to standardize the Company's integrity and ethical conduct requirements. Among them, the "Code of Conduct for the Sunshine Workplace" aims to build a compliant and disciplined corporate workplace culture to safeguard the Company's legitimate interests; the "Prohibition of Unauthorized Agreements Policy" requires employees not to reach any unauthorized agreements or commitments with external or internal parties in business activities to ensure the compliance and transparency of business operations; the "Employee Interest Relationship Management System" aims to identify and prevent potential conflicts of interest among employees to protect the interests of the Company, shareholders and all employees; the "Gift Acceptance and Reporting Policy" standardizes the process of employees' receipt and handling of gifts, and advocates the awareness of clean work and self-discipline.

We carry out a series of integrity culture construction activities to guide all employees to understand and abide by various systems. We continuously conduct integrity training and system promotion for personnel at different levels, including members of the Board of Directors and the management, and conduct integrity examinations for all employees.

CORPORATE GOVERNANCE REPORT

Whistleblowing Policy

We have established the Sunshine Baiwang reporting channel for employees to disclose gifts, report conflicts of interest, and file complaints. Additionally, dedicated channels are available for all employees, third parties, and other stakeholders to report known or suspected misconduct, violations, or illegal activities either anonymously or by using their real names (email address: lianzheng@baiwang.com).

We handle all reports with the utmost seriousness and prioritize the confidentiality and safety of whistleblowers' personal information. Strict confidentiality is maintained throughout all stages, including intake, registration, investigation, and documentation, to prevent unauthorized disclosure or loss of information. Retaliation against whistleblowers in any form is strictly prohibited; violators will be subject to severe disciplinary action under the Company's policies or legal liability.

The whistleblowing policy will be reviewed on a regular basis, and any suspected cases will be reported to the Audit Committee.

EXTERNAL AUDITOR AND THE REMUNERATION OF AUDITOR

The statement of the external auditors of the Company about their reporting responsibilities for the Company's financial statements for the year ended December 31, 2025 is set out in the section headed "Independent Auditor's Report" in this annual report.

The external auditor of the Company will be invited to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report and auditor's independence.

During the year ended December 31, 2025, the remuneration paid/payable to the Company's external auditors, Rongcheng (Hong Kong) CPA Limited, is set out below:

Nature of Services	Remuneration (RMB'000)
Audit services	900
Non-audit services*(Note)*	720
TOTAL:	1,620

Note: The non-audit services provided mainly included non-audit services related to continuing connected transactions and annual results announcement.

NOMINATION POLICY

The Company has adopted the nomination policy which sets out the objectives, selection criteria and nomination procedures for identifying and recommending candidates for appointment or reappointment of Directors.

CORPORATE GOVERNANCE REPORT

The Nomination Committee shall first review the structure, size and composition of the Board, assess the independence of independent non-executive Directors and then make recommendations to the Board on matters relating to the appointment of Directors.

When evaluating and determining the candidates of Directors, the Nomination Committee and the Board shall consider the following factors: personal characters; professional qualifications, skills, knowledge, and experience related to the Group's business and strategy; willing to devote sufficient time to fulfill the duties of the Directors and members of the Board committees; whether their appointment is in compliance with the requirements of the Listing Rules (including the independence requirements of independent non-executive Directors); whether their appointment is in compliance with the Company's Board diversity policy and any measurable targets adopted by the Nomination Committee to diversify the members of the Board.

CORPORATE CULTURE

The Board of Directors has always regarded corporate culture as the cornerstone for the Company in pursuing its long-term strategic goals and maintaining economic vitality and sustainable growth. We believe that an exceptional corporate culture serves not only as the core engine driving sustainable business performance, but also as the key support for fulfilling corporate social responsibility and shaping industry benchmarks. Based on this, the Company has continuously cultivated a positive and innovation-driven cultural ecosystem built on its mission, values and business philosophy, ensuring alignment with the evolving demands of our era.

Empowerment of All Employees through Cultural Integration: The Board of Directors leads the formulation and promotion of corporate culture, requiring all employees to collectively uphold cultural principles. New employees must complete systematic cultural training covering the Company's core cultural values, institutional structure, laws and regulations, compliance awareness, and quality control capabilities.

Management Capability Enhancement: The Company regularly engages external authoritative experts to provide management with specialized training in cutting-edge strategic thinking and management skills, strengthening cultural leadership and execution efficiency.

Cultural Alignment Assurance: Through a dynamic assessment mechanism, the Board of Directors ensures full alignment between corporate culture and the Company's mission, values and business philosophy, establishing a closed-loop system from strategy to execution.

Looking forward, the Board of Directors firmly believes that the cultural system with the mission as its guiding beacon, values as its principles, and business philosophy as its path will continue to unite the Group with shared purpose, empower business innovation, consolidate core competitiveness in a complex market environment, and enable the Group to deliver long-term sustainable performance.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

Ms. So Lai Shan is the Company Secretary of the Company. Ms. So is the manager of the company secretarial department at Vistra Corporate Services (HK) Limited. Ms. So has more than 10 years of experience in the corporate services industry. Ms. So is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. She acted/is currently acting as the company secretary or joint company secretary of a few listed companies on the Stock Exchange.

All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters. Ms. Liang Yukun has been designated as the primary contact person at the Company which would work and communicate with Ms. So Lai Shan on the Company's corporate governance and secretarial and administrative matters.

Ms. So Lai Shan had taken not less than 15 hours of relevant professional training and complied with the requirement under Rule 3.29 of the Listing Rules for the year ended December 31, 2025.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions.

The Company maintains a website at "www.baiwang.com" as a communication platform with Shareholders and investors, where information on the Group's business operations, developments and financial information are available for public access. Shareholders and investors may send their written enquiries or requests to the Company via the following contact details:

Address:	14/F & 15/F, Building No.1 Division 1, No.81 Beiqing Road Haidian District Beijing, PRC
Email：	ir@baiwang.com
Tel number:	+(86) (10) 6273 0029

Enquiries and requests will be dealt with by the Company in an informative and timely manner.

The general meetings of the Company provide an opportunity for communication between the Board and the Shareholders. The chairman of the Board as well as chairmen of the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, in their absence, other members of the respective committees, are available to answer questions at general meetings. The chairman of a meeting will provide the detailed procedures for conducting a poll and answer any questions from the Shareholders on voting by poll.

CORPORATE GOVERNANCE REPORT

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them posted on the Company's developments.

According to the PRC Company Law, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous year's accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. We may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. We cannot pay dividends if we are in an accumulated loss position.

Although the calculation of our distributable profits is in accordance with PRC GAAP or IFRSs, whichever is lower, we do not expect such differences between distributable profits calculated under PRC GAAP and IFRSs to be material or have any substantive impact on any dividend to be declared. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As of the date of this annual report, we did not set any pre-determined dividend payout ratio. The payment and amounts of dividends (if any) depend on our results of operations, cash flows, financial position, statutory and regulatory restrictions on the dividend paid by us, future prospects and other factors which we consider relevant. The declaration, payment and amount of dividends will be subject to the discretion of the Board in accordance with our Articles of Association, pursuant to which an annual profit distribution proposal shall be proposed and approved by the Board and then submitted to the Shareholders' general meeting for consideration. We may distribute profits by cash, Shares or a combination of cash and Shares. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be determined by our Shareholders.

SHAREHOLDER RIGHTS

As one of the measures to safeguard Shareholders' interests and rights, separate resolutions are proposed at Shareholders' meetings for each substantially separate issue, including the election of individual Directors, for Shareholders' consideration and voting. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange and the Company immediately after the relevant general meetings.

CORPORATE GOVERNANCE REPORT

Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to the Articles of Association, Shareholders either individually or collectively holding 10% or more of the shares of the Company may, through signing one or more written requisitions in the same form and content stating the topics to be discussed at the meeting, require the Board of Directors to convene an extraordinary general meeting. The Board shall give a written feedback on whether to agree or disagree about convening an Extraordinary General Meeting within 10 days after receiving the proposal.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after it makes the resolution. Where there are other requirements imposed by laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed, such requirements shall prevail.

If the Board does not agree to convene the extraordinary general meeting, or fails to give any feedback within 10 days upon receipt of the request, the Shareholder(s) solely or jointly holding 10% or more of the shares of the Company shall have the right to propose to the Board of Supervisors to convene the extraordinary general meeting. Such request shall be made to the Board of Supervisors in writing.

If the Board of Supervisors agrees to convene the extraordinary general meeting, it shall serve a notice in relation to the convening within five days after receipt of the proposal. Changes in the original proposal in the notice shall be subject to the approval of relevant Shareholders.

Procedures for Shareholders to Put Forward Proposals at General Meetings

Pursuant to the Articles of Association, Shareholder(s) solely or jointly holding 3% or more of the Company's shares shall have the right to make a proposal to the Company at a Shareholders' general meeting of the Company.

The Shareholder(s) solely or jointly holding 3% or more of the Company's shares may make interim proposals in writing to the convener of a Shareholders' general meeting 10 days prior to the meeting. The convener shall issue a supplementary notice of the Shareholders' general meeting and announce the contents of such interim proposals within two days after receipt thereof.

Except as provided by the preceding paragraph, the convener of a Shareholders' general meeting shall not amend the proposals already specified in the notice of the Shareholders' general meeting or add new proposals subsequent to the issuance of the notice of the Shareholders' general meeting.

Proposals which are not specified in the notice of the Shareholders' general meeting or which do not comply with the Articles of Association shall not be voted on and resolved at the Shareholders' general meeting.

CORPORATE GOVERNANCE REPORT

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries. For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice, statement or enquiry (as the case may be) to the following address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Address:	14/F & 15/F, Building No.1 Division 1, No.81 Beiqing Road Haidian District Beijing, PRC
Email：	ir@baiwang.com
Tel number:	+(86) (10) 6273 0029

For enquiries about the shareholding of H Shares, Shareholders should direct their enquiries to the Company's H Share Registrar. Their details are as follows:

Name:	Computershare Hong Kong Investor Services Limited
Address:	Shop 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Tel No.:	2862 8555

The Company adopted the Shareholders communication policy, which sets out the framework the Company has put in place to promote effective communication with Shareholders so as to enable them to engage actively with the Company and exercise their rights as Shareholders in an informed manner. The Shareholders communication policy will be reviewed on a regular basis by the Board.

The Company has established a range of communication channels between itself and its Shareholders, investors and other stakeholders. These include (i) the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchanging views with the Board; (iii) updated and key information of the Group available on the Company's website and the Stock Exchange's website; (iv) the Company's website offering communication channel between the Company and its stakeholders; (v) the Company's share registrar in Hong Kong serving the Shareholders in respect of all share registration matters; and (vi) convening investor meetings and/or analyst briefings, which be led by our executive Directors and investor relations team with existing and potential investors.

CORPORATE GOVERNANCE REPORT

The Company held an extraordinary general meeting on July 29, 2025 (the "**EGM**"). All resolutions proposed at the EGM were passed. For details, please refer to the poll results announcement of the Company dated July 29, 2025.

Having considered the multiple channels of communication and Shareholders engagement in the general meeting held during the year, the Board is satisfied that the Shareholders communication policy has been properly implemented during 2025 and is effective.

CONSTITUTIONAL DOCUMENTS

On July 8, 2025, the Board considered and approved the proposed amendment to the Articles of Association. The proposed amendment was approved by the Shareholders by way of a special resolution at the extraordinary general meeting on July 29, 2025 and the revised Articles of Association took effect on the same day.

Save as disclosed above, during the Reporting Period, the Company has not made any other changes to its constitutional documents. An up-to-date version of the Articles of Association is available on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.baiwang.com).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Baiwang Co., Ltd. and its subsidiaries (hereinafter "**Baiwang**", "the **Company**" or "**we**") are pleased to present this Environmental, Social and Governance (ESG) Report for the year of 2025 (hereinafter the "**Report**"). Adhering to the principles of objectivity, standardisation and transparency, this report systematically discloses Baiwang's philosophy, strategies, initiatives and achievements in environmental, social and governance aspects in 2025. We spare no effort to respond to stakeholders' concerns, reach consensus, and jointly promote the sustainable development of the environment, society and economy by publishing the ESG report.

SCOPE

Organisational Scope: The report covers Baiwang Co., Ltd. and its subsidiaries. Unless otherwise specified, the relevant information and data are consistent in statistical scope with the scope of the consolidated financial statements of Baiwang's 2025 annual report.

Time range: from 1 January 2025 to 31 December 2025 (hereinafter referred to as the "**Year**" or the "**Reporting Period**").

BASIS OF PREPARATION

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Code ("**ESG Code**") set out in Appendix C2 to the Listing Rules issued by the Stock Exchange of Hong Kong Limited.

REPORTING PRINCIPLES

In preparing this ESG report, the principles of "Materiality" "Quantitative" "Balance" and "Consistency" are applied to define the content of the report and how the information is presented.

- Materiality: In preparing this report, the Group has identified key stakeholders and key ESG topics of their concerns, and made targeted disclosure according to the materiality of these topics. For the process and results of materiality assessment, please refer to the sections "Stakeholder Engagement" and "Materiality Assessment" below.

- Quantitative: This report adopts quantitative information to disclose the key performance indicators in the environmental and social aspects. The standards, methods, hypothesis and/or calculation tools, and the source of conversion coefficient used for the measurement of the KPIs are explained in their respective paragraphs (if applicable).

- Balance: This report aims to present the Company's ESG efforts in a balanced, objective, and transparent manner, covering areas such as corporate governance, product and service responsibility, operational practices, employees, environment, and community engagement.

- Consistency: This Report has been prepared in the same way as in previous years, and any changes that might affect meaningful comparisons with previous reports have been explained in respective sections.

Environmental, Social and Governance Report

INFORMATION SOURCE

All information and data disclosed in this Report are from Baiwang Co., Ltd.'s internal official documents or statistical reports and public disclosure documents such as annual reports. The Board and all Directors of the Company guarantee that there are no false representations, misleading statements, or material omissions in this Report, and accept responsibility for the truthfulness, accuracy and completeness of its content.

CONTACT DETAILS

Should you have any questions or suggestions regarding this Report, please feel free to contact us through the following channels.

email address	ir@baiwang.com
Headquarters and principal place of business	14/F & 15/F, Building No. 1 Division 1, No. 81 Beiqing Road Haidian District Beijing, PRC
Company's website	https://www.baiwang.com

BOARD STATEMENT

The Board of Directors of Baiwang Co., Ltd. attaches paramount importance to the Company's sustainable development and its critical role in ensuring long-term and resilient operations. The Board serves as the highest governing body for ESG management of the Company, responsible for reviewing material ESG matters and overseeing and evaluating the Company's overall ESG management and implementation. Baiwang's ESG Committee assists the Board in monitoring and evaluating the Company's ESG framework, policies, and strategic direction, ensuring effective execution of ESG initiatives while enhancing ESG risk management and internal controls, and overseeing and reviewing the Company's overall climate-related strategies and policies. Further details on the governance structure are provided in the section headed "Sustainability Governance" of this Report.

The Company values stakeholder engagement and has identified material ESG issues and potential risks through multi-channel dialogues with relevant parties. During the Reporting Period, the Board has reviewed the prioritization of these ESG topics, providing insights and recommendations on matters that may impact long-term sustainability. For details, please refer to the section headed "Materiality Assessment" of this Report. Additionally, through regular updates from the ESG Committee, the Board maintains a clear understanding of evolving ESG trends and stakeholder feedbacks and expectations regarding the Company's ESG performance.

The Company has implemented a structured ESG target management system covering emissions, energy consumption, water resources, and other key metrics. The Board conducts annual reviews of progress and adjusts targets as needed to ensure continuous improvement.

Moving forward, the Board remains committed to refining ESG governance and performance, collaborating with stakeholders to build a sustainable future.

The Report, with detailed disclosure of above environmental, social and governance related matters, has been considered and approved by the Board on 24 March 2026.

Environmental, Social and Governance Report

ABOUT BAIWANG

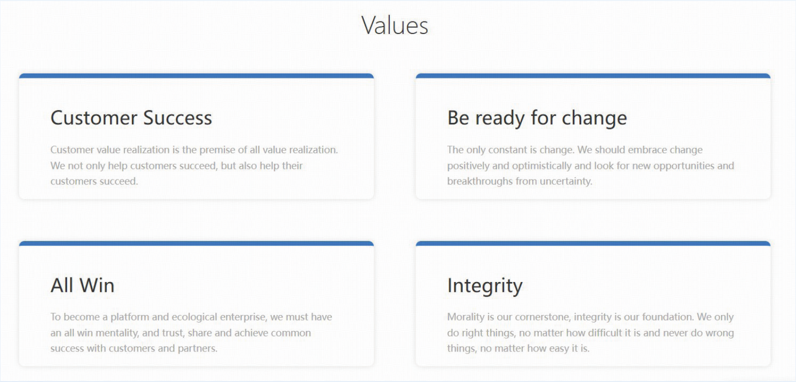
Corporate Profile

Founded in 2015, Baiwang is a leading data- and intelligence-driven artificial intelligence company in China. Leveraging big data and AI technologies as its core pillars, the Company builds a reliable super data intelligence system to drive the deep integration of digital productivity into social production, daily life and work practices. The Company has deeply cultivated the digital intelligence services sector and has served over 28 million customer entities. Leveraging high-quality data resources and real business application scenarios, it has innovatively developed a matrix of AI agents products for transaction management, operational decision-making and financial business, helping enterprises fully unlock the value of data, foster digital productivity, and continuously promote the intelligent transformation and upgrading of industries.

Corporate Culture

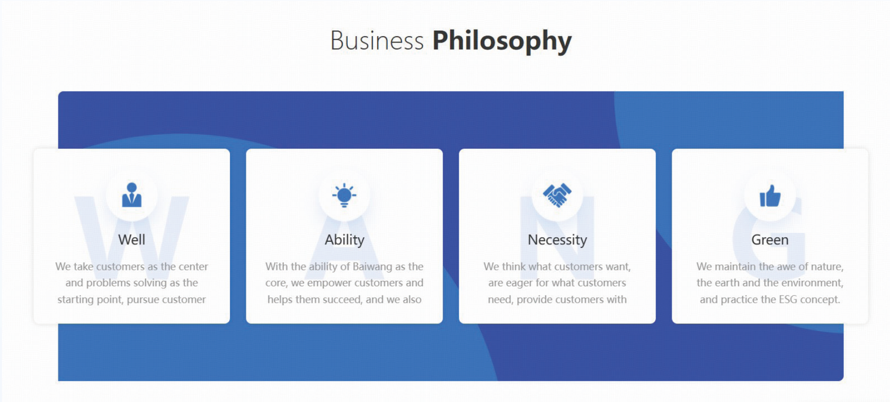
Corporate Mission: Building trustworthy data intelligence to unlock digital productivity.

Core Values: Customer Success, Strive Forward, Growth Mindset, Winner Takes All.



Environmental, Social and Governance Report

Business Philosophy: Well, Ability, Necessity, and Green.



Professional Accreditations

Quality Management System Certification

Service Management System Certification

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Environmental Management System Certification

Information Security Management System Certification

Business Continuity Management System Certification

Occupational Health and
Safety Management System certification

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High-Tech Enterprise Certification

Software Enterprise Certification

Awards

2025 Hong Kong Sustainable Development Innovation and Technology Award

Best Solutions for Central and State-Owned Enterprises in 2025

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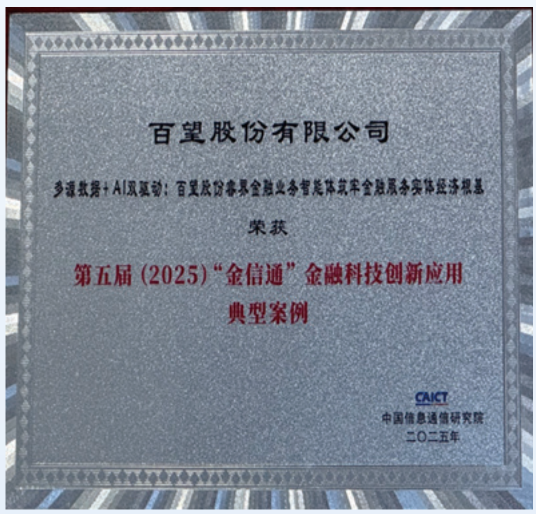
AI100 Application Benchmark

2025 China Listed Unicorn Brand Building Award

Report on The Top 100 Enterprises
in Comprehensive Strength of Beijing Software and
Information Technology Services in 2025



Typical Case Award of the Fifth (2025) "Jinxintong"
Financial Sci-tech Innovation Application

Environmental, Social and Governance Report

REINFORCING CORPORATE GOVERNANCE

ESG Governance

ESG Governance Structure

Our Company is committed to integrating ESG into our core operations, viewing it as the foundation for long-term value creation and sustainable development. To ensure that ESG matters are overseen and implemented efficiently and in a structured manner, the Company has established a top-down governance framework with clearly defined roles and responsibilities:

The Board bears ultimate responsibility for ESG matters and is responsible for approving the overall ESG strategic direction, overseeing material ESG issues and the associated risks and opportunities, setting ESG targets and reviewing progress, and systematically integrating ESG factors into the Company's long-term strategic planning, risk management framework, and key decision-making processes. The independent non-executive Directors independently carry out assessment and analysis of risks and opportunities across the three dimensions of environmental, social and governance. At the same time, the Board will engage an independent third party to identify and assess the Group's performance in respect of environmental protection and climate change. The Company implements a tiered risk management system based on the severity of impact, prioritizing high-impact issues while proactively identifying ESG-related opportunities to strengthen corporate resilience.

The Board has established an ESG Committee to serve as the central body responsible for driving and overseeing ESG initiatives. The Committee is chaired by the executive Director and chief executive officer, who provides overall leadership to the Committee, oversees the implementation of ESG strategies, risk management, and the effectiveness of internal oversight, and ensures alignment with business objectives. The vice chairperson, who is also the Company Secretary, is responsible for coordinating the interface between the Board and management, facilitating the efficient handling of matters, and ensuring the implementation of decisions. The Committee comprises senior representatives from various departments, including procurement, marketing, corporate social responsibility, employee benefits, corporate governance, and risk management, ensuring comprehensive coverage across business units and functions and the integration of diverse professional perspectives. The Committee shall convene meeting at least once a year to provide the Board with a dedicated report on annual progress, key performance indicators, significant risk developments, and recommendations for improvement, ensuring that the Board remains fully informed of the overall ESG situation.

Under the guidance of the Committee, each functional department is responsible for translating the ESG strategy into concrete action plans and integrating them into day-to-day operations. Based on the specific characteristics of its business, the Company carries out risk identification, policy implementation, performance tracking, and data collection, thereby establishing a closed-loop execution mechanism coordinated by the Board, driven by the ESG Committee, and implemented by the relevant departments.

Environmental, Social and Governance Report

Materiality Assessment

Through a regular and two-way communication mechanism, Baiwang maintains close interaction with shareholders/investors, employees, customers, suppliers, regulatory authorities, communities and non-governmental organizations, and regularly conducts identification and analysis of material issues based on strategic planning, industry development, stakeholder demands, international standards and best practices in the industry. Through stakeholder engagement, the Company identifies and determines its annual list of material topics. For key issues, management objectives and strategies are established, with detailed responses provided in the ESG report, thereby continuously advancing the Company's sustainable development.

Our determination process for material issues comprises the following key steps:

Topic identification and material issues repository	• Issues of concern covered by key ESG reporting standards and reference frameworks, including: The Stock Exchange ESG Reporting Code, SDGs and other standards and initiatives; • ESG issues highlighted by mainstream rating agencies in relevant industries; • Global sustainable development trends; • Sustainable development trends within relevant industries.
Materiality assessment and ranking	Through stakeholder engagement initiatives including internal and external questionnaires, we assess the materiality of ESG issues across two critical dimensions: "importance to Baiwang's development", and "importance to stakeholders". This approach enables prioritization of issues, with findings visualized through a materiality matrix derived from empirical research data.
Assurance of the results of the materiality assessment	To ensure the accuracy, validity and relevance of outcomes, the ESG Committee conducts review and examination of all assessment results, determines the distribution of various ESG issues in the materiality matrix, and confirms key matters in the report.

During the reporting period, we conducted a new round of materiality assessment and analysis, identifying a total of 17 material issues. Following stakeholder engagement and evaluation, we identified 6 issues of high materiality, 7 of medium materiality, and 4 of low materiality.

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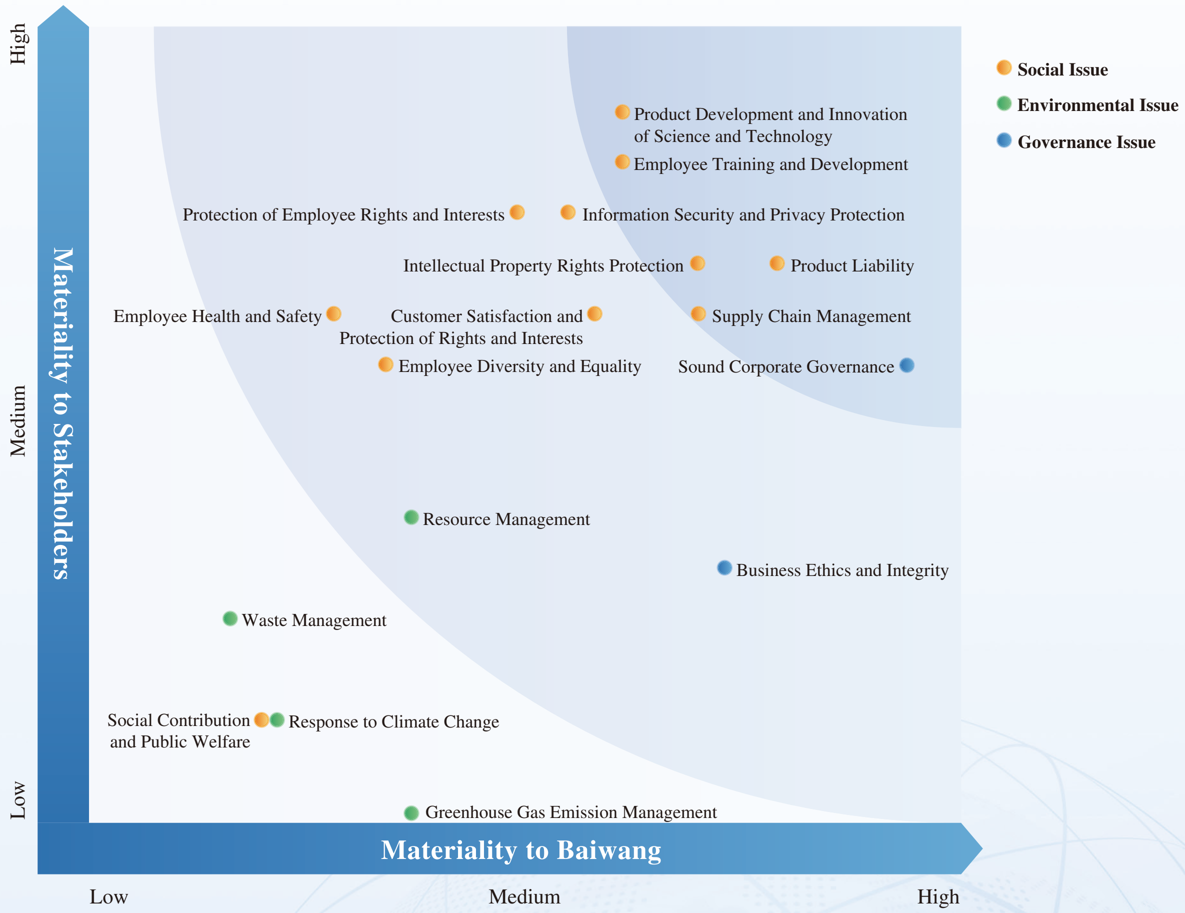

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Communication with Stakeholders

Baiwang attaches great importance to proactive communication with all stakeholders. Through diversified channels and standardised communication process management, it gains an in-depth understanding of the needs and expectations of stakeholders, ensuring that external communications are conducted in a timely, accurate, consistent and effective manner, thereby fully discharging its responsibilities to stakeholders and promoting the implementation of Baiwang's sustainable development strategy.

Stakeholder Category	Focus Areas	Communication and Response
Government and regulatory authorities	Compliant operation and tax payment in accordance with law Response to national policies Specialized collaborations Carbon neutrality & carbon peak strategy	Continuous enhancement of corporate compliance management Implementation of national policy requirements Promote employment Enhance information disclosure
Staff	Employee health and safety Employee work-life balance Employee care and welfare Training and Development Talent attraction and retention	Staff forum and communication Complaint and reporting mechanism Diverse employee activities Transparent compensation and career progression framework Employee training programs
Suppliers and Partners	Multi-partnership and ecosystem Business ethics & integrity Supplier ESG management Value sharing Data security and privacy protection	Daily communication and collaboration enhancement Bidding and project procurement Creating sustainable supply chain
Investors and shareholders	Good corporate governance Results performance Intellectual property protection Corporate culture development	Disclosures in regular reports and announcements Compliance operation Roadshow General Meeting
Product users	Customer rights and privacy protection Product deployment and technology innovation Cybersecurity High-quality products	Official website Interview and engagement After-sales service Product innovation Product research feedback

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Stakeholder Category	Focus Areas	Communication and Response
Social institutions	Product social value Community contributions Climate change response and management Energy and resource use and management	Official website Participate in community development actively Identify climate-related risks and opportunities Formulate and disclose energy saving and emission reduction measures

Corporate Governance

Sound and effective governance is the cornerstone of a company's steady and sustainable development. We are committed to enhancing our modern governance standards, establishing a robust governance structure, continuously optimizing internal controls, advancing comprehensive compliance and information security management, strengthening risk prevention and control capabilities, and consistently building investor confidence in the Company to ensure its stable and efficient operations.

We carried out corporate governance in compliance with the Company Law of the People's Republic of China and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other regulatory frameworks. Baiwang has always been committed to maintaining sound corporate governance. The Board has established three Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee, which together form a Board structure with clearly defined powers and responsibilities and well-defined duties. Through these committees, the Board guides the management in strategy formulation and execution, oversees operational and financial performance, and ensures rigorous risk management and internal monitoring systems, thereby instituting comprehensive top-down supervision. For detailed insights into Baiwang's governance practices, please refer to the section headed "Corporate Governance Report" of our 2025 Annual Report of the Company.

Anti-corruption

The Company conducts its daily operations in full compliance with the law. We require all employees to adhere to the Anti-unfair Competition Law of the People's Republic of China, the Criminal Law of the People's Republic of China, and other relevant laws, regulations, and normative documents concerning commercial bribery. We effectively combat any form of embezzlement, bribery, corruption, extortion, misappropriation of public funds, embezzlement, and conduct detrimental to the Company's interests. We also conduct audits to oversee the implementation of business ethics guidelines and mitigate compliance risks for companies.

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The Company has in place a set of comprehensive anti-corruption policy to promote and support the compliance with applicable anti-corruption laws and regulations, providing guidance on anti-corruption and anti-bribery practices, the whistleblowing channel, as well as the responsibilities for implementing the policies. All employees of the Company are required to understand and comply with the anti-corruption policy, and the Company provides anti-corruption training programs for its employees.

During the Reporting Period, the Company has not aided, abetted, assisted or colluded with any person in engaging in or conspiring to commit any corrupt activities, and no non-compliance with relevant laws and regulations that have a significant impact on the Company relating to corruption, bribery, fraud and money laundering had been identified. During the Reporting Period, 810 employees participated in the Company's internal anti-corruption training to enhance their business ethics.

ADOPTING LOW-CARBON OPERATION

The Company complies with all applicable environmental laws and regulations in China, which are strictly enforced by local environmental protection authorities through regular inspections. These include, but not limited to the followings:

- Environmental Protection Law of the PRC
- Law of the PRC on the Prevention and Control of Atmospheric Pollution
- Water Pollution Prevention and Control Law of the PRC
- Water Law of the PRC
- Energy Conservation Law of the PRC

No non-compliance with relevant laws and regulations that have a significant impact on the Company relating to air and greenhouse gas ("**GHG**") emissions, discharges into water and land, and generation of hazardous and non-hazardous waste have been identified during the Reporting Period.

Waste and Emission Management

Baiwang is committed to effectively managing waste and emissions generated in the course of operation to minimize the negative impact on the environment. As a company primarily engaged in office and business operations, the Company's environmental footprint is relatively limited, consisting mainly of gasoline consumption and related emissions from our business vehicles, as well as a small amount of office waste.

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Emissions Management

The Company's business vehicles are primarily used for business travel. During the Reporting Period, vehicle operation resulted in emissions of certain air pollutants, including nitrogen oxides (NOx), sulfur oxides (SOx), and respirable suspended particulates (PM). These emissions are primarily generated by the combustion of gasoline. The company has implemented measures to optimize vehicle usage, thereby reducing fuel consumption and air pollutant emissions. The specific measures are as follows:

- Avoid unnecessary vehicle use and encourage its employees to use public transport;
- Prioritize the purchase of electric vehicles as company vehicles in the future;
- Promote the use of video meeting to reduce unnecessary travel, thereby lowering the associated emissions.

Waste Management

With regard to hazardous waste, the Company generated approximately 24.36 kilograms of hazardous waste during the Reporting Period, consisting primarily of used batteries. The company strictly complies with relevant national regulations, and all hazardous waste is collected and disposed of in accordance with regulations by a third-party professional waste management company. Our non-hazardous waste primarily consists of household waste, plastic waste, and office paper (such as newspapers and cardboard). Due to the extremely small volume generated, the Company does not maintain detailed disposal records; however, recycling measures have been implemented to promote reuse.

Recognizing that even a small scale of operations, it is still committed to actively fulfilling its environmental responsibilities, the Company therefore has established and implemented an internal waste management policy, with key focuses including:

- Strictly comply with national and local laws and regulations regarding waste management;
- Minimize the generation of various types of waste at the source by implementing paperless offices, double-sided printing, and reducing the use of single-use items;
- Prioritise reuse and recycling.

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As part of our commitment to environmental protection and sustainable development, the Company is dedicated to continuously improving and reviewing its waste reduction measures in order to achieve its long-term waste reduction goals. We had set waste reduction targets to minimize its impact on the environment. The Company aims to reduce hazardous waste and non-hazardous waste intensity by 5% by 2033, using 2024 data as the baseline. The details are as follows:

	2024 Figures (kg/million RMB Revenue)	Reduction Target by 2033	2025 Figures (kg/million RMB Revenue)	% Change
Hazardous Waste	0.03	-5%	0.03	0%

USE OF RESOURCES

The Company is committed to the efficient management of resource use, with a particular focus on energy and water resources, in order to minimize the environmental impact of our operations and improve resource efficiency. As a company primarily engaged in office and business operations, the Company's main energy consumption consists of electricity (for general power supply, air conditioning, lighting, and IT infrastructure at our operational sites) and gasoline for business vehicles.

Energy Consumption

The Company's energy consumption is mostly originated from purchased electricity and gasoline. During the Reporting Period, the total energy consumption by the Company was 410,476.38 Kilowatt-hour ("**kWh**"), with an intensity of 563.38 kWh/million RMB revenue.

We actively promoted energy conservation and emissions reduction and formulated and implemented a number of energy management measures to reduce electricity consumption, greenhouse gas emissions and carbon footprint. Key initiatives include:

- Actively improve energy efficiency to reduce GHG emissions related to gasoline and purchased electricity;
- Actively conduct research and explore sustainable technologies and practices to minimize our carbon footprint;
- Closely collaborate with customers, telecommunications providers and industry organizations to develop sustainable solutions;

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- Prioritise the procurement of energy-efficient equipment, electronic appliances and devices for all operating premises;
- Continuously monitor energy consumption in offices, regularly review electricity usage patterns, and identify opportunities for optimization;
- Through internal training and awareness campaigns, we educate employees to turn off unnecessary and idle electronic devices and promote energy-saving habits (such as adjusting air conditioning temperatures appropriately and avoiding prolonged standby).

We had set the long-term target of reducing its electricity consumption intensity by 10% by 2033, using 2023 data as the baseline. The details are as follows:

	2023 Figures (kWh/million RMB revenue)	Reduction Target by 2033	2025 Figures (kWh/million RMB revenue)	% Change
Electricity Consumption Intensity	396.91	-10%	507.75	28%

As seen above, the Company recorded a 28% increase in electricity consumption intensity when compared to the baseline year. This is mainly due to the increase in purchased electricity, however the Company has reviewed its GHG remissions reduction target and has remained confident in achieving its long-term target.

Water Resources Management

The total water consumption for the Company was 1,108 m^3, with an intensity of 1.52 m^3/million RMB revenue. No issues on sourcing water were reported during the Reporting Period. We endeavour to minimize its water usage and encourages its employees to reduce water consumption wherever possible. We shall also aim to continuously improve its resource management, by responsibly managing and utilizing water resources for the benefit of its business and society.

As part of its commitment to environmental protection and sustainable development, the company has set water consumption reduction targets and is committed to continuously improving and reviewing water-saving measures to achieve its long-term water conservation goals. The Company aims to reduce water consumption intensity by 5% by 2033, using 2024 data as the baseline. The details are as follows:

	2024 Figures (m^3/million RMB revenue)	Reduction Target by 2033	2025 Figures (m^3/million RMB revenue)	% Change
Water consumption intensity	1.08	-5%	1.52	41%

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THE ENVIRONMENT AND NATURAL RESOURCES

The Company is engaged in the software and IT services business; given the nature of its operations, it does not have a significant impact on the environment. Nevertheless, the Company fully recognizes the importance of environmental protection, consistently adheres to the principle of green development, and actively implements various measures to minimize the environmental impact of its operations. These policy initiatives fully demonstrate the Company's unwavering commitment to environmental management, social responsibility, and strengthening corporate governance, and are in line with the increasing expectations and demands of our stakeholders.

The Company's operations primarily involve electricity consumption and greenhouse gas emissions. To this end, the Company continuously monitors electricity usage and greenhouse gas emissions on a routine basis, proactively reviews existing management measures, and actively explores optimal pathways for energy conservation, emissions reduction, and operational efficiency improvements. The Company also actively promotes a culture of environmental responsibility, guiding all employees to embrace the concept of green development and encouraging them to actively participate in various environmental initiatives. Although the Company's daily operations do not generate large amounts of waste, it has proactively formulated and implemented an environmental policy for waste management. By addressing actual operational scenarios, the Company prevents the generation of various types of waste at the source, thereby laying a solid foundation for green operations.

RESPOND TO CLIMATE CHANGE

The Company recognizes the profound impact of climate change on business and societal development. We have implemented a series of measures to address this global challenge. In alignment with China's "Dual Carbon" strategy, the Company actively reduces greenhouse gas emissions across our operations and value chain through climate risk and opportunity management, energy conservation and carbon reduction initiatives, and digital transformation support. These efforts enhance our resilience to climate-related risks.

In accordance with the disclosure recommendations of the ESG Code, we conduct climate risk management by managing and disclosing across four pillars such as governance, strategy, risk management, metrics and targets to mitigate the adverse impacts of climate change on our business.

Governance

The Company has established a governance structure comprising the Board of Directors and the ESG Committee to manage ESG issues including climate change. For details, please refer to the section headed "ESG Governance" in this Report.

The Board bears ultimate oversight responsibility for climate-related risks and opportunities, and is responsible for approving the direction of climate strategy, providing overall oversight of significant climate risks and opportunities, and setting climate targets and reviewing progress. The Board has integrated climate considerations into the Company's long-term strategic planning, major investment decisions, annual budget approvals, and risk management framework to ensure they are closely aligned with business resilience and long-term value creation.

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The ESG Committee is responsible for the day-to-day oversight and management of climate-related matters, coordinating climate risk identification, strategy development, the implementation of emissions reduction projects, and data monitoring. The ESG Committee shall provide the Board with a dedicated report at least once a year on the results of the assessment of climate-related risks and opportunities, as well as progress and significant developments, to ensure that the Board is kept up to date on the latest developments.

The Company has planned to organise specialised climate risk training for members of the Board and senior management, covering the latest policy developments, scenario analysis, transition risks and physical risks, etc., to ensure that its oversight capabilities remain aligned with global regulatory trends. At present, the Company has not yet directly incorporated climate-related performance metrics into its compensation evaluations for senior management; however, it has begun assessing the feasibility of gradually integrating these metrics in the future to strengthen alignment of incentives and drive progress toward climate goals.

Strategies

During the Reporting Period, the Group fully identified climate-related risks and opportunities associated with its business in accordance with the requirements of "climate-related disclosure" under the ESG Code. We conducted a systematic assessment to thoroughly analyse the potential impact of various climate factors on our operations and strategies. This provided the basis for formulating appropriate prevention, mitigation and recovery measures for risks and opportunities that were significant to the Group.

Type of risk		Risk description	Response measures	Estimated financial impact	Level of impact	Timeframe[1]
Physical risks	Acute physical risks	Extreme weather events such as heavy rain, floods, typhoons, and snowstorms may disrupt the Company's business operations and affect its production capacity to a certain extent; at the same time, secondary disasters triggered by extreme weather may pose threats to personal safety and property security.	Maintain vigilance on extreme weather alerts and strengthen safety hazard inspections in key areas Develop extreme weather contingency plans to clarify response procedures and response measures during disaster events Enhance management of operational facilities, including climate-appropriate reinforcement and regular maintenance according to the local climate	Damage to infrastructure caused by natural disasters has led to higher capital costs Reduced revenues from operational disruptions caused by natural disasters, such as typhoons and floods Write-offs and early retirement of existing assets (e.g., asset impairment from natural disasters)	Medium	Medium term

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Type of risk		Risk description	Response measures	Estimated financial impact	Level of impact	Timeframe[1]
	Chronic physical risks	Chronic natural disasters such as changes in temperature and rainfall patterns may lead to exposure of the Company to operational threats such as water scarcity and deteriorating working conditions.	Regularly conduct maintenance on the electrical system and cooling facilities During the operational phase, continuously enhance cooling efficiency through various technological upgrades	Higher operational costs due to increased cooling and heating demands in office spaces Decreased productivity due to employee health issues from rising temperatures, scar-city of necessary resources for services due to climate change, leading to lowered output, thereby reducing revenue Increased capital costs (e.g., shortened equipment lifespan due to high humidity)	Low	Long term
Transition Risk	Policy and regulatory risk	With increasingly stringent environmental protection laws and regulations domestically and internationally, coupled with enhanced regulatory oversight, failure to meet statutory requirements may expose the Company to legal proceedings and penalties.	Maintain proactive monitoring of environmental and energy policies, laws, and regulations in the countries and regions where the industry operates Advocate for coordinated energy-saving and emission-reduction efforts across upstream and downstream supply chain partners Actively participate in energy conservation and emission reduction programs, further identifying emission sources and reducing the Company's own carbon footprint	Changes in output requirements (e.g., for waste disposal) may lead to higher production costs Increased costs due to fines Due to stricter environmental policies	Medium	Medium term
	Reputational risk	If the Company fails to address the reasonable expectations of stakeholders or demonstrates inadequate management in energy conservation and carbon reduction, its reputation may be adversely affected.	Actively respond to the national call for "carbon peaking" and "carbon neutrality", actively implement green operations and contribute to low-carbon transformation Maintain efficient and constructive communication with stakeholders, progressively establishing and disclosing emission reduction targets	Poor ESG performance or reputation-damaging ESG incidents may reduce access to capital	Low	Long term

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Type of risk	Risk description	Response measures	Estimated financial impact	Level of impact	Timeframe[1]
Market risk	As the emphasis on sustainable development continues to grow both domestically and internationally, customers are increasingly favoring low-carbon, eco-friendly products and services. If the Company fails to step up its efforts to integrate energy-saving and emission-reduction technologies into its products and services, it may find itself at a competitive disadvantage in the market.	Stay attuned to market demands and adjust our product and service offerings accordingly	A decline in revenue due to customer attrition and reduced sales	Low	Long term
Technical risk	Unsuccessful investments in new technologies, rising costs associated with low-carbon transition, and increased R&D expenditures may lead to reduced profitability, asset write-offs, early retirement of existing assets, and higher capital investments.	Stay abreast of advancements in low-carbon technologies, intensify R&D and innovation efforts, and explore decarbonization technologies	Increased R&D expenditures	Low	Long term

1 Taking into account the core business planning, the timeframe of society's low-carbon development targets, as well as relevant climate-related disclosure standards and management recommendations, we have defined the following timeframes: within two years after the end of the Reporting Period, including 2 years (short term); between 2 and 5 years after the end of the Reporting Period, including 5 years (medium term); and more than 5 years after the end of the Reporting Period (long term). These timeframes are used to reasonably assess the potential impacts of climate change on business development across different periods.

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Opportunity Type	Description of Opportunities	Response Measures
Energy Efficiency	Improve energy efficiency, promote green operations, enhance resilience to climate risks, and reduce the Company's own carbon emissions	Improve energy efficiency with the measures such as promoting energy-saving equipment and technologies and implementing energy-saving projects
		Measures such as purchasing green electricity and installing photovoltaic systems in office buildings to reduce fossil fuel consumption
Financing Support	Obtaining preferential loans or state policy subsidies due to the Company's low-carbon transition	Keep abreast of changes in external policies and requirements, and report to management on a regular basis

Given the Company's scale and business nature, both current and anticipated financial effects of climate-related risks and opportunities are not considered material to the Company's overall financial position. Furthermore, where effects may exist, the level of measurement uncertainty is high and isolating specific impacts is difficult. The Company is also developing internal capabilities for preparing disclosures on anticipated financial effects. Accordingly, the Company has therefore applied the Financial Effects Relief and the Capabilities Relief (where applicable) as provided under the ESG Code. These reliefs allow the Company to omit detailed quantitative disclosures on the current and anticipated financial effects of climate-related risks and opportunities. The Company has therefore not provided such disclosures. Regarding the combined financial effects of climate-related risks and opportunities, the Company has assessed that quantitative information about these combined effects would not be useful at this stage.

The Company also recognises the importance of scenario analysis in assessing strategy resilience, identifying climate-related risks and conducting business continuity plan each year, but has not yet completed formal climate-related scenario analysis. The Company is developing internal capabilities and gathering the required data to conduct reliable scenario modelling. Accordingly, the Company has applied the Capabilities Relief and Reasonable Information Relief as provided under the ESG Code for use of climate-related scenario analysis.

Risk Management

The Company attaches high importance to the risks and opportunities brought about by climate change, and is integrating climate-related risks into its risk management framework. During the year, we prioritise risks and opportunities based on their incidence and impact on the Company, taking into account departmental feedback. We also formulate targeted responses.

- **Risk identification**

  The Company regularly identifies climate-related risks and opportunities. Working with external consultants, it analyzes macroeconomic policy trends and industry developments, and, through internal communication, collaboratively develops and updates a list of climate-related risks and opportunities.

- **Risk assessment**

  For the identified risks and opportunities, conduct a comprehensive assessment of their likelihood of occurrence and the severity of their potential impacts to determine an overall risk rating, thereby establishing priorities for climate change-related risks and highlighting significant risks.

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- Risk response

  In response to the significant risks identified, the Company has developed targeted response strategies and action plans to effectively manage these risks through elimination, mitigation, or transfer, while also capitalizing on related climate opportunities.

- Risk monitoring

  Continuously monitor evolving climate risks and opportunities, regularly review and update the list of risks and opportunities, and establish a mechanism for regular reporting to management to ensure that the Board of Directors and management have timely access to climate-related information to support decision-making.

Metrics and Targets

The Company is actively implementing energy conservation and emission reduction measures to comprehensively improve the efficiency of energy and resource utilisation, thereby reducing carbon emissions in Scope 1 "direct energy-related emissions" and Scope 2 "indirect energy-related emissions".

We are developing reduction targets for Scope 3 "value chain-related emissions". During the Reporting Period, as the core contractor for the State Taxation Administration's Golden Tax Phase IV project and a provider of electronic invoice services, the Company participated throughout the nationwide rollout of digital and electronic invoices. The electronic invoice service has achieved full coverage across 36 provinces, autonomous regions, municipalities directly under the central government, and cities with separate planning status nationwide, benefiting a vast number of downstream enterprises in the supply chain. This has significantly reduced paper consumption associated with printing invoices and energy consumption from transportation of invoices, thereby lowering carbon emissions. In addition, we strengthened Scope 3 emissions management by tracking and calculating carbon emissions from employees' air travel and waste disposal, establishing foundations for comprehensive Scope 3 carbon reduction initiatives.

During the Reporting Period, 285.53 tonnes of carbon dioxide equivalent ("**tCO_2eq**") GHG emissions (mainly CO_2, CH_4 and N_2O) were emitted from the Company's operations. The overall intensity of the GHG emissions was 0.39 tCO_2eq/million RMB revenue.

The Company had set the long-term target of reducing its Scope 1 and Scope 2 GHG emissions intensity by 10% by 2033, using 2023 data as the baseline, details of which are as follows.

	2023 data (tCO_2eq/million RMB revenue)	Emission reduction target by 2033	2025 Data (tCO_2eq/million RMB revenue)	% Change
Scope 1 + Scope 2 GHG emissions intensity	0.25	-10%	0.27	7.77%

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As seen above, the Company recorded an increase in Scope 1 and Scope 2 GHG emissions intensity when compared to the baseline year. This is mainly due to the slight increase in GHG emissions from purchased electricity, however the Company has reviewed its GHG remissions reduction target and has remained confident in achieving its long-term target.

Since the Company is still in the process of completing disclosures for Scope 3 GHG emissions, reduction targets for Scope 3 emissions shall only be set when more comprehensive data has been collected. In accordance with the guidance of Opinions of the CPC Central Committee and the State Council on the Full, Accurate and Comprehensive Implementation of the New Development Philosophy in Carbon Peak and Carbon Neutrality, Action Plan for Carbon Dioxide Peaking Before 2030 and China's Policies and Actions for Addressing Climate Change, the Company will in the future reduce the carbon footprint of the entire value chain by optimising supply chain management, in support of the realisation of the ambitious goal of carbon neutrality by 2060. The Board and the ESG Committee will help establish quantified Scope 3 reduction targets with annual progress reviews.

Our targets have not yet been externally validated by a third party. The Company will review and disclose its performance against these climate-related targets annually in the ESG report, including trend analysis and explanations of any material changes or challenges encountered. Progress is monitored through the key metrics such as absolute GHG emissions (tCO_2e) and other relevant KPIs. The Company currently has no plan to use carbon credits to achieve its emissions reduction objectives. Any future planned use of carbon credits will be disclosed in accordance with ESG Code requirements. Information about the Company's performance against the relevant climate-related target and an analysis of the same shall be provided in the future ESG reports.

HELP EMPLOYEES GROW

As a company that highly values social responsibilities, the Company strictly adheres to China's labor-related laws and regulations in its operations and comprehensively safeguards employees' legal rights. The applicable regulations mainly include the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Trade Union Law of the People's Republic of China, the Regulations on Paid Annual Leave for Employees, the Work-Related Injury Insurance Regulations, the Provisions on the Prohibition of Child Labor, and other provisions concerning labor rights and interests, ensuring our internal management aligns closely with national policies.

During the Reporting Period, the Company did not have any material non-compliance in relation to compensation and dismissal, recruitment and promotion, working and rest hours, equal opportunity, diversity development, anti-discrimination and other rights and benefits of employees.

Employee Management

The Company has established internal policies and regulations, such as the Employee Handbook, to effectively communicate to employees information regarding human resources management, compensation management, reward and disciplinary systems, and codes of conduct. In daily operations, the Company rigorously complies with labor standards, legally executes employment contracts with every employee, and effectively safeguards their lawful rights.

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The Company has implemented a systematic employee management framework to ensure that there are clear procedures and guidelines for recruitment, resignation, and termination. The Company attaches importance to employee engagement and communication, providing an appropriate channel and a feedback mechanism for employees to raise internal grievances or complaints.

Remuneration and Benefits

The Company offers a competitive and equitable compensation and benefits package to ensure that its employees receive fair compensation and comprehensive protection. The Company's compensation policy is based on job value, individual performance, market rates, and the principle of internal equity, and includes base salary, performance bonuses, year-end bonuses, and other benefits. The Company regularly reviews its compensation structure to ensure internal equity and external competitiveness.

In addition to being entitled to sick leave, marriage and bereavement leave, maternity and paternity leave, and work-related injury leave in accordance with the law, our employees also benefit from a paid annual leave system comprising statutory annual leave and welfare annual leave. In addition to the above leave benefits, we also provide comprehensive support for our employees' personal and professional lives by offering a range of social and commercial insurance programs, including pension insurance, medical insurance, unemployment insurance, workers' compensation insurance, maternity insurance, housing provident fund, supplemental medical insurance, and accident insurance.

During the Reporting Period, in order to further align the interests of employees and shareholders, the Company has formulated and implemented a restricted stock incentive scheme. The scheme has completed all compliance procedures, including obtaining approval from the Board and the general meeting of shareholders. The Company grants restricted shares to eligible employees as a long-term incentive instrument to encourage core employees and management to devote themselves to the Company's sustainable development and value creation.

Employee Diversity and Equal Opportunity

The Company is committed to the principles of diversity, equity, and inclusion. We fully respect the diverse backgrounds and differences of our employees and integrate these principles into our recruitment, promotion, training, and day-to-day management processes. The company expressly opposes any form of discrimination, harassment, or retaliation, and is committed to providing equal opportunities to all individuals regardless of race, nationality, religion, physical condition, disability, gender, parental status, sexual orientation, political affiliation, or age. We strive to promote diversity and inclusion in the workplace, foster a culture of inclusion, and provide every employee with fair career development opportunities and a platform for growth.

Labour Standards

The Company strictly follows relevant laws and regulations such as the Labor Law of the PRC, the Labor Contract Law of the PRC, and the Law on the Protection of Minors to manage labour practices. Screening and background checks are performed when recruiting new employees.

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The Company explicitly prohibits any forms of child labor and forced labour. During recruitment, we strictly verify candidates' identification documents to ensure legally compliant hiring processes and prevent child labor employment. Once cases of child labor are identified and verified, the Company will immediately terminate the employment relationship and make appropriate arrangements for the child to return to their place of origin, where they will be placed in the care of their parents or legal guardians. At the same time, the Company strictly adheres to national and local leave policies, clearly stipulating working hours and leave arrangements in employment contracts to ensure that employees are guaranteed their right to reasonable rest. During the reporting period, the Company recorded no instances of child labor or forced labor, fully demonstrating its steadfast commitment and high sense of responsibility in protecting labor rights.

Health and Safety

The Company places the health and safety of our employees as our top priority. We fully comply with regulations such as the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the Law of the People's Republic of China on Work Safety, and we continuously improve our occupational health and safety management system to ensure the establishment of an incident reporting and response system that comprehensively documents compliance details regarding occupational health and production safety.

We regularly test occupational disease hazard factors in the operating environment to ensure compliance with national and industry standards. To enhance workplace safety, the Company has equipped office premises with first-aid kits, masks, alcohol-based sanitizers and other protective supplies, along with prominent safety signage to ensure prompt protection in emergencies. Additionally, the Company implements emergency management and fire safety requirements by regularly conducting fire evacuation drills to enhance employees' crisis prevention and self-rescue capabilities, thereby strengthening overall safety management from the prevention perspective. In terms of occupational health and safety, the Company has established a comprehensive system that includes safety training, occupational health examinations, the distribution of personal protective equipment, and specialized training.

Baiwang places emphasis on fostering a comfortable, healthy and inclusive working environment for its employees. The Company has incorporated a large number of green plants into its office spaces and equipped them with high-quality air purifiers, striving to create a "jungle-style office" environment that promotes the physical and mental well-being of its employees.

During the Reporting Period, the Company did not violate any laws or regulations regarding workplace safety or occupational hazard prevention, nor did it experience any personal injury incidents or significant property damage incidents, fully demonstrating its commitment to employee health and safety.

Key Performance Indicators	Unit	2025	2024	2023
Number of work-related fatalities	person	0	0	0
Work-related fatality rate	%	0	0	0

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Development and Training

Baiwang views employee growth and development as an important component of achieving its corporate strategic objectives, and actively integrates talent development into innovation in its core business and technological upgrades. Through multi-tiered and diverse training programs, the Company meets professional needs and supports the Company's long-term development. During the Reporting Period, the Company formulated and implemented the "Internal Trainer Management Measures" to standardize the selection criteria for trainers, establish open and transparent evaluation and incentive mechanisms, and strive to enhance the Company's overall culture as a learning organization.

We place particular emphasis on the close alignment between personal growth and corporate strategy. By successfully integrating talent development with core technology and business innovation, we enable employees to participate directly in the Company's most strategically significant innovation initiatives, thereby significantly enhancing our ability to attract and retain top talent.

During the Reporting Period, we conducted a wide variety of training sessions covering topics such as technical knowledge sharing, information security, and sales techniques. A total of 5,637 training hours were provided, with 810 employees participating.

COMMITMENT TO EXCELLENCE IN QUALITY

Quality is the cornerstone of business competitiveness and plays a vital role in achieving sustainable, long-term growth. The Company strictly complies with the relevant laws and regulations, including the Law of the People's Republic of China on Product Quality (《中華人民共和國產品質量法》), the Law of the People's Republic of China on Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), the Cyber Security Law of the People's Republic of China (《中華人民共和國網絡安全法》), the E-commerce Law of the People's Republic of China (《中華人民共和國電子商務法》) and the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), provides reliable products to customers, and is committed to becoming a leader in China's financial & tax digitalization services sector.

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Product Labelling, Health and Safety, and Advertising

Due to the business nature, product labelling practices are generally not applicable to the Company.

No non-compliance with relevant laws and regulations that have a significant impact on the Company relating to health and safety, advertising, labelling and privacy matters relating to products and services provided have been identified during the Reporting Period.

Quality Assurance

The Company has passed the surveillance audit of the GB/T 19001–2016/ISO 9001:2015 Quality Management System certification and has met internationally recognised standards. Adhering to the core philosophy that "process quality determines the quality of products and services", the Company has obtained Capability Maturity Model Integration Level 3 (CMMI 3) certification, signifying that the Company has established a "self-improving, self-evolving" process management ecosystem, achieving a transition from experience-driven to standards-led operations and reflecting the modern management philosophy of "supporting high-quality development through standardized processes".

The Company is committed to delivering services that not only meet industry standards but also exceed client expectations. By providing clear, accurate, and transparent information about its services, terms, and pricing, the Company ensures informed decision-making for its clients. Through continuous research and development, the Company innovates tailored solutions designed to address evolving management and compliance needs effectively. Additionally, the Company has established robust feedback mechanisms to promptly resolve complaints, fostering trust and sustaining long-term customer relationships. To better serve our customers, the Company has established a comprehensive service network covering the entire country and set up regional delivery and service systems nationwide to provide enterprises with localized technical support and operational maintenance services.

There were no product recalls or service complaints due to health and safety reasons received during the Reporting Period.

Technological Innovation

During the Reporting Period, Baiwang announced its full integration with the DeepSeek AI large models. By integrating DeepSeek into its digital and intelligent business platform, Baiwang provides enterprises with safer and smarter digital solutions, helping more enterprises explore new growth curves. Baiwang has truly implemented advanced AI technologies across five core scenarios, namely intelligent finance and taxation, intelligent supply chain collaboration, intelligent risk and compliance, intelligent decision-making and intelligent marketing, achieving comprehensive upgrades and providing enterprises with AI-driven integrated data services, truly delivering on "making data smarter and business more intelligent".

Environmental, Social and Governance Report

As a leading enterprise in the field of enterprise digital services, Baiwang is demonstrating through practical actions that the deep integration of technological innovation and scenario-based application is the winning way to drive the digital transformation of enterprises.

[Case Study] Crowned Champion! Baiwang Won the Grand Prize at the Global Internet Competition

Baiwang has always firmly believed that data is the core factor of production in the intelligent era. During the Reporting Period, Baiwang's Ruijie financial business intelligent agents, by virtue of breakthrough technological innovations and mature industry implementation capabilities, creatively integrated the general capabilities of domestic AI large models such as DeepSeek and Qwen3 with Baiwang's proprietary enterprise-grade transaction data in depth, thereby building knowledge graphs of inclusive finance covering more than 3,000 industry rules and more than 2,000 risk control indicators, truly equipping AI with in-depth business understanding and scenario-based analytical capabilities in the financial sector. By virtue of this, we won the "Grand Prize" at the Global Internet Competition with honours!

Environmental, Social and Governance Report

Data Security and Privacy Protection

The Company has established a comprehensive, multi-layered security framework that covers the prevention, detection, response, and recovery phases to ensure that user data is protected against unauthorized access, use, disclosure, alteration, loss, or destruction. Key initiatives include:

- Implement advanced security protocols and encryption technologies (such as data transmission encryption, access controls, and authentication mechanisms) to prevent unauthorized access, disclosure, or modification;

- Deploy comprehensive monitoring systems to continuously identify and prevent potential data breaches, cyber threats, system vulnerabilities and malicious attacks;

- Maintain a secure data backup system and detailed disaster recovery procedures to ensure rapid restoration of business operations in the event of an incident and minimize the risk of data loss;

- Establish a clear incident response mechanism, including an immediate action plan, risk control measures, and internal and external notification procedures, as well as timely reporting of cybersecurity or data breach incidents to relevant regulatory authorities (such as the Office of the Privacy Commissioner for Personal Data) in accordance with legal requirements, in order to effectively manage risks and minimize the potential impact on customers and the company.

The company also conducts regular internal and external security audits, vulnerability scans, and penetration tests to continuously improve its security measures, and enhances all employees' awareness of data security and compliance through employee training.

During the Reporting Period, the Company was not involved in any penalty, investigation, litigation or dispute related to data security and personal information protection, nor had it experienced any major cybersecurity or data security incident.

Intellectual Property

As of the end of the Reporting Period, the Company owns 20 invention patents, 2 of which were granted during the Reporting Period.

The Company strictly protects the intellectual property of itself and its business partners, and it seeks to protect its intellectual property against third-party infringement through the registration of trademarks, the filing of patents, as well as through other means, including licenses, confidentiality and non-disclosure agreements.

During the Reporting Period, the Company was not aware of any material infringement (i) by the Company of any intellectual property rights (including trade secrets) owned by third parties, or (ii) by any third parties of any intellectual property rights (including trade secrets) owned by the Company.

Environmental, Social and Governance Report

Supply Chain Management

Fulfilling environmental and social responsibilities requires comprehensive supply chain management. The Company is committed to collaborating with suppliers to establish a more robust ecosystem, jointly strengthening supply chain resilience to provide a solid foundation for our long-term and stable development.

- Optimizing Supplier Management

  Our Company has established a comprehensive supplier management system that standardizes key processes such as supplier access, evaluation, and termination, ensuring efficient and transparent management, thereby enhancing the overall operational efficiency and compliance of the supply chain.

- Supplier Access

  The Company gives preference to suppliers that are industry leaders, hold authoritative certifications (such as the ISO series), or whose employees possess the Project Management Professional (PMP) qualification. We implement a multidimensional evaluation system assessing factors such as price, service and quality to identify potential suppliers that meet our standards.

- Supplier Evaluation and Monitoring

  Once suppliers are incorporated into the system, the Company conducts regular surveys of their quality and service levels, including gathering direct feedback from employees to obtain authentic evaluations.

- Supplier Exit Mechanism

  For suppliers that fail to meet the requirements, the Company implements a compliant and transparent exit process to ensure the overall quality of the supply chain and keep risks under control.

- Communication and Cooperation with Suppliers

  The Company places great emphasis on two-way communication with suppliers. It has established a regular feedback mechanism, provides suppliers with evaluation results and recommendations for improvement, collaboratively addresses partnership issues and develops optimization measures to achieve mutually beneficial development, and responds swiftly to changes in the market or business operations.

Environmental, Social and Governance Report

Sustainable Supply Chain

Our Company integrates environmental and social risks into our supply chain management, identifying and monitoring risks related to supplier labor rights, occupational safety, environmental compliance, and anti-bribery. When procuring, the Company preferentially selects suppliers with energy-saving and eco-certified products, demonstrating our commitment to environmental protection and social responsibility.

During the Reporting Period, the Company continued to engage its core telecommunications network provider, which is an industry leader in the decarbonisation field and is committed to promoting the innovation and development of green and low-carbon cloud computing.

TO BUILD A BETTER SOCIETY

The Company remains committed to social responsibility by channeling our developmental achievements back into society. We proactively engage in public welfare and charitable initiatives to support the rural revitalization strategy, demonstrating our solemn commitment to promoting sustainable social development through concrete actions.

During the Reporting Period, the Company actively participated in various public welfare activities in the fields of education, culture and sports, and earthquake relief, carrying out a total of three such initiatives and donating a total of RMB430,000, thereby demonstrating its corporate social responsibility through concrete actions.

Environmental, Social and Governance Report

KPI REFERENCE

Scope of GHG emissions	Emission sources	GHG Emission (in tCO_2eq) 2025	2024	2023
Scope 1 Direct emissions	Combustion of petrol for vehicle	0	12.81	13.89
Scope 2 Energy indirect emissions	Purchased electricity	196.30	175.53	161.39
Scope 3 Other indirect emissions	Paper waste disposal at landfills	1.08	11.02	0.35
	Electricity used for processing fresh water and sewage by government departments/third parties	0.19	0.44	0.45
	Business air travel	77.45	276.95	339.91
	Fuel for leased vehicles	10.52	0	0
Total (in tCO_2eq)		285.53	476.75	515.99
Intensity (in tCO_2eq/million RMB revenue)		0.39	0.72	0.72

Hazardous Waste Type	2025 Annual Disposal Amount (kg)	2024 Annual Disposal Amount (kg)
Used Batteries	24.36	17.10
Total	24.36	17.10

Mobile Fuel Source	2025 Non-GHG Emissions SO_x (kg)	NO_x (kg)	PM (kg)
Petrol	0.07	1.22	0.23

	Unit	2025 Consumption	2024 Consumption	2023 Consumption
Petrol Consumption for Vehicle	Litres	4,523.08	4,800.00	5,204.46
Petrol Consumption Intensity	Liter/million RMB revenue	6.21	7.28	7.30
Electricity Consumption	kWh	369,949	327,112	282,997
Electricity Consumption Intensity	kWh/million RMB revenue	507.75	496.38	396.91
Total Energy Consumption	kWh	410,476.38	369,650.45	329,119.24
Energy Consumption Intensity	kWh/million RMB revenue	563.38	560.93	461.60

	Unit	2025 Consumption	2024 Consumption	2023 Consumption
Water Consumption	m^3	1,108.00	710.00	684.00
Water Consumption Intensity	m^3/million RMB revenue	1.52	1.08	0.96

Environmental, Social and Governance Report

As of 31 December 2025, the Company had a total number of 754 employees. The following sets out the employee details:

Employees	2025 Number	2025 Percentage	2024 Number	2024 Percentage
By Gender				
Male	496	65.78%	612	65.52%
Female	258	34.22%	322	34.48%
By Employment Type				
Full-Time	748	99.20%	926	99.14%
Part-Time	6	0.80%	8	0.86%
By Employee Category				
Senior Management	34	4.51%	46	4.92%
Middle Management	98	13.00%	114	12.21%
Frontline and Other Employees	622	82.49%	774	82.87%
By Age Group				
18–25	68	9.02%	114	12.21%
26–35	362	48.00%	462	49.46%
36–45	293	38.86%	319	34.15%
46–55	29	3.85%	34	3.64%
56 or above	2	0.27%	5	0.54%
By Geographical Location				
Mainland China	753	99.87%	932	99.78%
Hong Kong	1	0.13%	1	0.11%
Others	0	0%	1	0.11%
Total	**754**	**100.00%**	**934**	**100.00%**

Environmental, Social and Governance Report

Turnover Rate	2025 Number	2025 Percentage	2024 Number	2024 Percentage
By Gender				
Male	216	43.55%	204	33.33%
women	119	46.12%	127	39.44%
By Age Group				
18–25	92	135.29%	71	62.28%
26–35	158	43.65%	175	37.88%
36–45	69	23.55%	73	22.88%
46–55	12	41.38%	12	35.29%
56 or above	4	200%	0	0.00%
By Geographical Location				
Mainland China	334	44.36%	331	35.52%
Hong Kong	1	100%	0	0.00%
Others	0	0.00%	0	0.00%
Total	**335**	**44.43%**	**331**	**35.44%**

By Employee Category		2025	2024
Senior Management	Percentage of employees trained	4.94%	13.04%
	Average training hours completed per employee	0.18	0.13
Middle Management	Percentage of employees trained	12.35%	16.67%
	Average training hours completed per employee	0.15	0.17
Frontline and Other Employees	Percentage of employees trained	82.72%	29.33%
	Average training hours completed per employee	0.14	0.29

By Gender		2025	2024
Male	Percentage of employees trained	65.43%	26.96%
	Average training hours completed per employee	0.15	0.27
Female	Percentage of employees trained	34.57%	27.02%
	Average training hours completed per employee	0.14	0.27

Suppliers	2025 quantity	2024 quantity	Type of supplies
Mainland China	220	60	Office supplies; Human resources outsourcing; Cloud resources and SMS services; Server room rental; Office software; Consulting, Other services
Hong Kong	14	6	PR and Media; ESG; Printing; Consulting

Environmental, Social and Governance Report

ESG CODE CONTENT INDEX

Aspects	Indicator No.	Description of Indicators	Location
A. ENVIRONMENTAL			
A1. Emissions	General Disclosure	Information relating to exhaust gas emissions, sewage discharge to water and land, generation of hazardous and harmless waste, etc.: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Adopting Low-carbon Operation
	A1.1	The types of emissions and respective emissions data.	Emissions Management
	A1.3	Total hazardous waste produced and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Waste Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management
A2. Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Adopting Low-Carbon Operation
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	Energy Consumption
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Resources Management
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption/Water Resources Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	N/A, the Company faces no challenges in water sourcing for its operations
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Our business operations do not involve the use of packaging materials

Environmental, Social and Governance Report

Aspects	Indicator No.	Description of Indicators	Location
A3. The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
B. SOCIAL			
B1 Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee Management
	B1.1	Total number of employees by gender, type of employment (e.g. full-time or part-time), age group and district.	Employee Management
	B1.2	The employee turnover rate by gender, age group, and geographical location.	Employee Management
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
	B2.2	Lost days due to work injury.	Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
	B3.2	Average training hours completed per employee by gender and employee category.	Development and Training

Environmental, Social and Governance Report

Aspects	Indicator No.	Description of Indicators	Location
B4: Labour Standards	General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Labour Standards
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
	B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	B5.1	Number of Suppliers by Geographical Region.	Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

Environmental, Social and Governance Report

Aspects	Indicator No.	Description of Indicators	Location
B6: Product Responsibility	General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A, our business operations do not involve physical product manufacturing activities
	B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
	B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
B7: Anti-corruption	General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	To Build A Better Society
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	To Build A Better Society
	B8.2	Resources contributed (e.g. money or time) to the focus area.	To Build A Better Society

Environmental, Social and Governance Report

INDEX TABLE OF INDICATORS (CLIMATE-RELATED DISCLOSURES)

Class	Sub-Category	Description	Section
Governance		Governance body responsible for overseeing climate-related risks and opportunities.	Respond to Climate Change – Governance
Governance		Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Respond to Climate Change – Governance
Strategies	Climate-related risks and opportunities	Description of the reasonably expected climate-related risks and opportunities that could affect the issuer's cash flows, financing channels, or cost of capital in the short, medium, or long term. For each climate-related risk identified by the issuer, explanation of whether the issuer considers the risk to be related to climate-related physical factors or climate-related transitional factors. Specification of the time frame (short term, medium term, or long term) during which each identified climate-related risk and opportunity is reasonably expected to impact the issuer. Explanation of how the issuer defines short term, medium term, and long term, and how these definitions are linked to the scope of its strategic decision-making planning.	Respond to Climate Change – Strategy
Strategies	Business model and value chain	Description of the current and expected impacts of climate-related risks and opportunities on the issuer's business model and value chain. Description of where climate-related risks and opportunities are concentrated within the issuer's business model and value chain (e.g., geographical regions, facilities, and types of assets).	Respond to Climate Change – Strategy
Strategies	Strategy and decision-making	Providing information on how the issuer has addressed and plans to address significant climate-related risks and opportunities in its strategies and decisions, including how the issuer plans to achieve any climate-related targets it has set and any targets required by law or regulation. Providing information on how the issuer currently plans to provide resources for its actions to address significant climate-related risks and opportunities, both presently and in the future.	Respond to Climate Change – Strategy

Environmental, Social and Governance Report

Class	Sub-Category	Description	Section
Strategies	Financial position, performance, and cash flow – current financial impacts	How climate-related risks and opportunities affect an issuer's financial position, financial performance, and cash flow during the reporting period. Information on how climate-related risks and opportunities affect the issuer's financial position, financial performance, and cash flow identification during the reporting period when there is a significant risk that will cause significant adjustments to the book value of assets and liabilities in the relevant financial statements for the next reporting year.	Respond to Climate Change – Strategy
Strategies	Financial Position, Financial Performance and Cash Flows – Anticipated Financial Effect	After considering its strategy to manage climate-related risks and opportunities, and taking into account the following, the issuer anticipates how its financial performance will change in the short, medium and long term. Based on the issuer's strategy to manage climate-related risks and opportunities, and how its financial performance and cash flow are expected to change in the short, medium and long term.	Respond to Climate Change – Strategy
Strategies	Climate Resilience	The issuer's assessment of its climate resilience as of the reporting date. How and when to conduct climate-related scenario analyses.	Respond to Climate Change – Strategy
Risk Management		The processes and related policies the issuer uses to identify, assess, prioritize and maintain monitoring of climate-related risks and opportunities.	Respond to Climate Change – Risk Management
Risk Management		The processes the issuer uses to identify, assess, prioritize, and maintain monitoring of climate-related risks and opportunities (including information that issuers can and use climate-related scenario analysis to determine climate-related opportunities).	Respond to Climate Change – Risk Management
Risk Management		The identification, assessment, prioritization, and monitoring of climate-related risks and opportunities, and how these are incorporated into the issuer's overall risk management process, along with the extent of their integration.	Respond to Climate Change – Risk Management

Environmental, Social and Governance Report

Class	Sub-Category	Description	Section
Metrics and Targets	GHG Emissions	An issuer shall disclose its absolute gross greenhouse gas emissions for the reporting period (expressed in tCO_2e), classified into: Scope 1 greenhouse gas emissions; Scope 2 greenhouse gas emissions; Scope 3 greenhouse gas emissions.	Respond to Climate Change – Metrics and Targets
Metrics and Targets	Climate-related Transition Risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Respond to Climate Change – Metrics and Targets
Metrics and Targets	Climate-related Physical Risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Respond to Climate Change – Metrics and Targets
Metrics and Targets	Climate-related Opportunities	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Respond to Climate Change – Metrics and Targets
Metrics and Targets	Use of Capital	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Respond to Climate Change – Metrics and Targets
Metrics and Targets	Internal Carbon Prices	Whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis) The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Respond to Climate Change – Metrics and Targets
Metrics and Targets	Remuneration	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	Respond to Climate Change – Metrics and Targets
Metrics and Targets	Industry-based Metrics	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	Respond to Climate Change – Metrics and Targets
Metrics and Targets	Climate-related Targets	An issuer shall disclose the qualitative and quantitative climate-related targets it has set to monitor progress towards achieving its strategic goals and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets.	Respond to Climate Change – Metrics and Targets

INDEPENDENT AUDITOR'S REPORT

容诚 | RCHK

TO THE BOARD OF DIRECTORS OF BAIWANG CO., LTD.
(百望股份有限公司)
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Baiwang Co., Ltd. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 133 to 236, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), as applicable to audits of financial statements of public interest entities. We also have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Relevant disclosure on the financial statements **Key audit matter** ***Loss allowance for expected credit loss ("ECL") on trade receivables***	**How our audit addressed the Key Audit Matter**
We identified the loss allowance for ECL on trade receivables as a key audit matter due to significant degree of estimation was involved in the assessment of ECL. As disclosed in note 38(b) to the consolidated financial statements, the ECL rates for trade receivables assessed on a collective basis are determined by provision matrix model using historical loss rates adjusted for forward-looking estimates, based on days past due for groupings of customer industries. As at 31 December 2025, the gross carrying amount of the Group's trade receivables amounting to approximately RMB196,632,000. Loss allowance of approximately RMB15,465,000 on trade receivables have been recognised as at year end date.	Our audit procedures to assess loss allowance for ECL on trade receivables included the following: • Understanding the key controls on how the management estimates the loss allowance for trade receivables; • Understanding and assessing the appropriateness of management's methodology for identifying credit-impaired trade receivables; • Evaluating the appropriateness of the grouping of trade receivables with reference to their shared credit risk characteristics; • Testing the accuracy of trade receivables aging analysis, on a sample basis, by comparing individual items in the analysis with the relevant sales invoices; and • Evaluating the reasonableness of the loss allowance for trade receivables with reference to historical observed default rate and forward-looking information. Based on the procedures performed above, we considered that the loss allowance for ECL on trade receivables was fairly stated.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(Continued)*

Relevant disclosure on the financial statements Key audit matter *Valuation of financial instruments*	How our audit addressed the Key Audit Matter
We identified the valuation of financial assets with fair value measurement hierarchy classified as level 3 (the "**Level 3 Investments**") as a key audit matter due to significant judgement and estimation for the determination of the fair values of Level 3 Investments. As disclosed in note 38 to the consolidated financial statements, the Level 3 Investments of the Group are investments in associates with preferential rights, investment in convertible loan, arrangement/right to receive additional shares at nominal considerations and unlisted equity investment. In estimating the fair value of certain Level 3 Investments, the directors of the Company engaged an independent professional valuer (the "**Valuer**") to perform the valuation and worked with the Valuer to establish inputs to the valuation. The fair values were arrived at using various valuation methodologies and involve adoption of certain unobservable inputs. The carrying amount of the Level 3 Investments amounted to approximately RMB152,028,000 as at December 31, 2025 and their change in fair value included in fair value changes of financial assets and liabilities at fair value through profit or loss as set out in note 14.	Our audit procedures to assess the fair value of the Level 3 Investments included the following: • Evaluating the competence, capabilities and objectivity of the Valuer; • Obtaining investment agreements for the Level 3 Investments to understand the relevant investment terms and identify conditions that were relevant to the valuation of financial instruments; and • Evaluating the appropriateness of the methodologies with reference to the requirements of the prevailing accounting standards and the reasonableness of the assumptions and key inputs adopted by management and the Valuer. Based on the procedures performed above, we considered that the fair value of Level 3 Investments was fairly stated.

INDEPENDENT AUDITOR'S REPORT

OTHER MATTER

The consolidated financial statements for the year ended 31 December 2024 were audited by another auditor who expressed an unqualified opinion on those consolidated financial statements on March 31, 2025.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Fong Ho Keung
Practicing Certificate Number: P08079
Hong Kong
March 24, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

	NOTES	Year ended December 31, 2025 RMB'000	2024 RMB'000
Revenue	7	**728,596**	659,212
Cost of sales	11	**(420,464)**	(395,789)
Gross profit		**308,132**	263,423
Other income	8	**1,324**	5,360
Impairment losses under expected credit loss model, net of reversal	9	**(4,929)**	(8,239)
Other gains and losses, net	10	**(9,611)**	(6,799)
Research and development expenses	11	**(135,032)**	(179,925)
Administrative expenses	11	**(98,705)**	(91,787)
Listing expenses	11	**–**	(24,664)
Distribution and selling expenses	11	**(95,036)**	(160,187)
Operating loss		**(33,857)**	(202,818)
Finance income	12	**3,535**	2,449
Finance costs	13	**(517)**	(361)
Fair value changes of financial assets and liabilities at fair value through profit or loss ("**FVTPL**")	14	**21,190**	(294,813)
Share of results of associates and joint ventures		**(307)**	(5,316)
Loss before tax		**(9,956)**	(500,859)
Income tax expenses	15	**(24)**	(457)
Loss and total comprehensive expense for the year		**(9,980)**	(501,316)
Other comprehensive expense:			
Item that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(225)**	–
Total comprehensive expense for the year		**(10,205)**	(501,316)
Loss for the year attributable to:			
Owners of the Company		**(9,628)**	(501,210)
Non-controlling interests		**(352)**	(106)
		(9,980)	(501,316)
Total comprehensive expense attributable to:			
Owners of the Company		**(9,853)**	(501,210)
Non-controlling interests		**(352)**	(106)
		(10,205)	(501,316)
Loss per share			
– Basic and diluted (RMB)	17	**(0.04)**	(2.73)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

		Year ended December 31,	
		2025	2024
	NOTES	**RMB'000**	RMB'000
Non-current assets			
Property, plant and equipment	*20*	**6,465**	8,586
Right-of-use assets	*21*	**12,679**	3,278
Intangible assets	*22*	**17,068**	9,524
Investments in associates	*23*	**120,055**	103,297
Investments in joint ventures	*24*	**1,378**	2,539
Financial assets at FVTPL	*25*	**152,028**	110,839
Contract costs	*29*	**21,776**	31,690
Contract assets	*32*	**186**	673
		331,635	270,426
Current assets			
Inventories	*27*	**2,308**	2,391
Contract costs	*29*	**35,022**	44,971
Contract assets	*32*	**29,364**	61,940
Trade and other receivables, deposits and prepayments	*28*	**228,858**	87,183
Amounts due from related parties	*40*	**30,533**	23,045
Financial assets at FVTPL	*25*	**90,736**	277,896
Restricted bank deposits	*30*	**3,439**	4,180
Cash and cash equivalents	*30*	**385,683**	443,899
		805,943	945,505
Current liabilities			
Trade and other payables	*31*	**86,888**	133,957
Contract liabilities	*32*	**88,980**	114,720
Amounts due to related parties	*40*	**16,787**	29,219
Lease liabilities	*21*	**11,779**	1,710
Tax payables		**–**	91
		204,434	279,697
Net current assets		**601,509**	665,808
Total assets less current liabilities		**933,144**	936,234

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

	NOTES	Year ended December 31, 2025 RMB'000	2024 RMB'000
Capital and reserves			
Share capital	*34*	**225,907**	225,907
Reserves		**711,357**	714,637
Equity attributable to owners of the Company		**937,264**	940,544
Non-controlling interests		**(5,926)**	(5,574)
Total equity		**931,338**	934,970
Non-current liability			
Lease liabilities	*21*	**1,806**	1,264
Total equity and non-current liability		**933,144**	936,234

The consolidated financial statements on page 133 to 236 were approved and authorised for issue by the board of directors on March 24, 2026 and were signed on its behalf by:

Ms. Chen Jie
DIRECTOR

Ms. Jin Xin
DIRECTOR

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2025

	Attributable to owners of the Company								
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Share-based payments reserve RMB'000	Exchange Reserve RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at January 1, 2024	140,000	–	570,170	130,219	–	(2,236,604)	(1,396,215)	(5,468)	(1,401,683)
Loss and total comprehensive expense for the year	–	–	–	–	–	(501,210)	(501,210)	(106)	(501,316)
Recognition of share-based payment expenses	–	–	–	53,979	–	–	53,979	–	53,979
Issuance of new shares upon global offering (Note 34)	9,262	295,175	–	–	–	–	304,437	–	304,437
Transaction costs attributable to issue of new shares (Note 34)	–	(39,717)	–	–	–	–	(39,717)	–	(39,717)
Automatic conversion of preferred shares into ordinary shares upon global offering (Notes 33 and 38)	76,645	2,442,625	–	–	–	–	2,519,270	–	2,519,270
As at December 31, 2024	225,907	2,698,083	570,170	184,198	–	(2,737,814)	940,544	(5,574)	934,970
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**–**	**–**	**(9,628)**	**(9,628)**	**(352)**	**(9,980)**
Recognition of share-based payment expenses	**–**	**–**	**–**	**6,573**	**–**	**–**	**6,573**	**–**	**6,573**
Exchange differences arising on translation of foreign operations	**–**	**–**	**–**	**–**	**(225)**	**–**	**(225)**	**–**	**(225)**
As at December 31, 2025	**225,907**	**2,698,083**	**570,170**	**190,771**	**(225)**	**(2,747,442)**	**937,264**	**(5,926)**	**931,338**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Year ended December 31, 2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Loss before tax	**(9,956)**	(500,859)
Adjustments for:		
Share of results of associates and joint ventures	**307**	5,316
Impairment loss on an associate	**–**	3,553
Fair value changes of financial assets and liabilities at FVTPL	**(21,190)**	294,813
Share-based payment expenses	**6,573**	53,979
Depreciation of property, plant and equipment	**3,224**	4,139
Amortisation of intangible assets	**1,988**	1,539
Depreciation of right-of-use assets	**10,664**	13,879
(Gain) loss on disposal of property, plant and equipment	**(1)**	388
Gain on early termination of leases	**(1,163)**	–
Loss on liquidation of associates	**6,485**	–
Impairment losses under expected credit loss model, net of reversal	**4,929**	8,239
Interest income	**(3,535)**	(373)
Net foreign exchange loss (gain)	**5,028**	(2,912)
Finance costs	**517**	361
Operating cash flows before movements in working capital	**3,870**	(117,938)
Decrease in inventories	**83**	1,290
(Increase) decrease in trade and other receivables, deposits and prepayments	**(125,309)**	2,976
Increase in amounts due from related parties	**(7,726)**	(5,847)
(Decrease) increase in amounts due to related companies	**(12,432)**	5,176
Decrease in contract costs	**19,863**	8,624
Decrease in contract assets	**32,006**	6,756
Decrease in contract liabilities	**(25,740)**	(8,024)
Decrease in trade and other payables	**(47,069)**	(44,729)
Net cash used in operations	**(162,454)**	(151,716)
Income taxes paid	**(115)**	(426)
NET CASH USED IN OPERATING ACTIVITIES	**(162,569)**	(152,142)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
INVESTING ACTIVITIES		
Redemption of wealth management products	**708,332**	1,091,459
Return of capital from associates	**6,439**	–
Withdrawal of restricted bank deposits	**2,810**	1,661
Interest of term deposits	**3,535**	10,200
Proceed on disposal of property, plant and equipment	**4**	–
Purchases of wealth management products	**(515,000)**	(1,092,102)
Addition of unlisted equity investment	**(30,000)**	–
Investments in associates	**(25,000)**	(21,500)
Advance of loan to an independent third party	**(20,000)**	–
Placement of restricted bank deposits	**(2,069)**	(3,664)
Additions of intangible assets	**(9,532)**	(4,561)
Purchases of property, plant and equipment	**(1,138)**	(3,164)
Addition of investment in convertible loan	**–**	(35,000)
Withdrawal of term deposits	**–**	100,000
Payments for associates with preferential rights investments and the arrangement/right to receive additional shares at nominal consideration	**–**	(40,000)
Investments in joint ventures	**–**	(2,034)
NET CASH FROM INVESTING ACTIVITIES	**118,381**	1,295
FINANCING ACTIVITIES		
Repayments of lease liabilities	**(8,808)**	(15,431)
Prepayments of share issued costs	**–**	(15,260)
Net proceeds from issuance of new shares upon global offering	**–**	287,494
NET CASH (USED IN) FROM FINANCING ACTIVITIES	**(8,808)**	256,803
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(52,996)**	105,956
Effect of foreign exchange rate changes	**(5,220)**	2,912
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**443,899**	335,031
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**385,683**	443,899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

1. GENERAL INFORMATION

Baiwang Co., Ltd. (the "**Company**") is a joint stock company with limited liability incorporated in Beijing, the People's Republic of China ("**PRC**") on 4 May 2015. The registered office and principal place of business of the Company is 14/F & 15/F, Building 1, Division 1, No. 81 Beiqing Road, Haidian District, Beijing, the PRC.

The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the artificial intelligence business (the "**AI Business**"), cloud-based software-as-a-service ("**SaaS**") solutions and on-premises solutions for financial and tax digitalisation solutions, data-driven analytics services as well as other enterprise needs, in the PRC. Ms. Chen Jie, Ningbo Xiu'an Enterprise Management Partnership (Limited Partnership) 寧波修安企業管理合夥企業(有限合夥) ("**Ningbo Xiuan**") (formerly known as Ningbo Xiu'an Equity Investment Partnership (Limited Partnership) (寧波修安股權投資合夥企業(有限合夥))) and Tianjin Duoying Technology Center (Limited Partnership) (天津多盈科技中心(有限合夥)) ("**Tianjin Duoying**") are controlling shareholders of the Company.

The consolidated financial statements are presented in RMB, which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board ("**IASB**") for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

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

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]
Amendments to IAS 21	Translation to a hyperinflationary functional currency[3]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after January 1, 2026
3 Effective for annual periods beginning on or after January 1, 2027

Except for the new and amendments to an IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS *(Continued)*

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as disclosed in the accounting policies set out below.

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.1 Basis of consolidation *(Continued)*

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

4.2 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.2 Investments in associates and joint ventures *(Continued)*

For investments in associates or joint ventures in the form of ordinary shares and without any preferential rights (and other shares that are substantively the same as ordinary shares), the results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint ventures. Changes in net assets of the associate or joint ventures other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of result of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint ventures), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Financial interests in associates that are not in the form of ordinary shares or with preferential rights which change the substance of the ordinary shares are accounted for in accordance with IFRS 9 *Financial Instruments*.

An investment in an associate or a joint venture in the form of ordinary shares and without any preferential rights (and other shares that are substantively the same as ordinary shares) is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Groups share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.2 Investments in associates and joint ventures *(Continued)*

The Group assesses whether there is objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.3 Revenue from contracts with customers

The Group recognises revenue when performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Unearned revenue awards to customers related to unsatisfied performance obligations at the end of the reporting period, is included in contract liabilities in the Group's consolidated statements of financial position.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.3 Revenue from contracts with customers *(Continued)*

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligation, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date (for example, service contracts in which the Group bills a fixed amount for each hour of service provided), the Group recognises revenue in the amount to which the Group has the right to invoice.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent). The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer. The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. Except for supply chain collaboration solutions included in cloud financial and tax digitalisation solutions, the Group considers itself the principal and recognise revenue on a gross basis. For supply chain collaboration solutions, the Group considers itself as an agent and recognise revenue on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.3 Revenue from contracts with customers *(Continued)*

Recognition of revenue from specific major sources of revenue

The Group derives revenue from its data intelligent solutions, applications and related equipment, cloud-based and on-premises solutions for financial and tax digitalisation solutions, data-driven analytics services.

Transaction management intelligent agent – Jin Dun (金盾)

The Group provides applications and products of which integrating AI-powered large language models with invoice compliance processing capabilities. This solution delivers comprehensive financial risk monitoring and automated invoice processing, enabling the users to optimise transactions workflows and reduce operational costs. Powered by multimodal recognition and large model technologies, Jin Dun delivers intelligent upgrades in document identification, parsing, verification, and qualification review, covering the entire accounts receivable and payable compliance process. Revenue is recognised when the intelligent agent are integrated into the enterprise's operation systems.

Financial business intelligent agent – Rui Jie (睿界)

The Group provides solutions for precise risk evaluation and intelligent risk control services for banks and fintech institutions, enhancing end-to-end service capabilities and product capabilities of financial business, which is supported by metrics commercial credit assessment system. The Group has established an intelligent application matrix that integrates financial risk control, financial marketing and financial policy compliance. Revenue is recognised when the business reports are provided with AI data search service for any specified period.

Operational decision-making intelligent agent – Wen Shu (問數)

The Group provides solutions for integrating natural language processing, knowledge graphs, and predictive modelling. Wen Shu enables enterprises to consolidate internal and external data resources, facilitating comprehensive industry landscape and market trend analysis. The solution automatically generates reports and visual analytics, creating a dual-perspective framework of "internal performance vs. market dynamics" to support data-driven strategic decision-making for enterprises. Revenue is recognised when the reports with the use of AI operational risk analysis are issued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.3 Revenue from contracts with customers *(Continued)*

Cloud financial and tax digitalisation solutions

The Group provides tax invoice compliance management solutions and financial and tax management solutions to its customers through its cloud-based platforms.

i Tax invoice compliance management solutions and financial and tax management solutions

The Group provides cloud-based financial and tax digitalisation solutions in relation to the value-added tax ("**VAT**") through its cloud-based platforms separately or in combination, with products and services including SaaS subscription services, implementation services, supporting hardware devices and software sales as well as associated maintenance and support services. The transaction price is the price after discount if any. and is a fixed amount upon signing the contract. The products cannot be returned unless significant problems are found, which rarely happens.

The SaaS subscription services grant customers the right to access the software functionality in a hosted environment controlled by the Group during the contractual term where the customers do not take possession of the software. The SaaS subscription services, together with the implementation services, if engaged, are highly interdependent and interrelated with each other and represent multiple inputs to a combined output that is transferred to the customers. Accordingly, the SaaS subscription services and the implementation services are accounted for as a single performance obligation. Revenue from subscriptions services and implementation services is recognised ratably beyond the initial contractual period when those future goods or services are transferred over the expected customers' life, primarily based on anticipated renewal period and the estimated life of such services demand.

For the contracts that the customers pay by usage, the revenue is recognised based on the usage report on monthly basis. The performance obligation of such services is satisfied over time as the customers simultaneously receive and consume the benefits. For financial and tax management solutions contracts which customers pay by usage, they are billed based on the number of service instances provided at fixed rate. The Group has a right to invoice in an amount that corresponds directly with the value of the Group's performance completed to date. Revenue from the provision of financial and tax management solutions is recognised in an amount to which the Group has a right to invoice.

Supporting hardware devices and software purchased from third parties and sold in combination with the solutions are accounted for as separate performance obligations because they have standalone functionality and are capable of being distinct. The revenue is recognised at a point in time when the supporting hardware devices and software are accepted by the customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.3 Revenue from contracts with customers *(Continued)*

Cloud financial and tax digitalisation solutions *(Continued)*

i Tax invoice compliance management solutions and financial and tax management solutions (Continued)

The Group also provides maintenance and support services which mainly include on-demand user support services. The customers pay on a fixed fee rate per period. These services are accounted for as separate performance obligations because they are capable of being distinct. Revenue is recognised ratably over their respective contractual terms.

The Group normally requests an upfront payment of about 10%-30% of the contract price. After the solutions are implemented and accepted by the customers, the remaining contract price is to be settled by the customers in installments over 5 to 90 days. About 5%-10% of the contract price is withheld by the customers and will be released upon completion of the warranty period (normally 2–3 years after the customer acceptance). The services to be provided during the warranty period is considered as an assurance-type warranty in order to ensure the solution will function as needed and is accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The management of the Group has assessed the effects of financing component is not significant at contract level and therefore revenue is not adjusted for the effects of time value of money.

The transaction price is allocated among the performance obligations within one solution contract on a standalone selling price basis.

ii Supply chain collaboration solutions

The Group provides supply chain collaboration solutions to its customer's through its cloud-based platforms. The performance obligation of such services is satisfied at a point in time when the solutions are accepted by the customers.

Data-driven analytics services

The Group provides data analytics products and services through its cloud-based platforms, which comprise digital marketing services, risk management services and enterprise operation reporting services, primarily to licensed credit reporting agencies and licensed financial service providers.

The customers pay usage-based or sales-based fees, at fixed rate. The usage or sales volume reports are confirmed by customers monthly and the revenue is recognised on such monthly basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.3 Revenue from contracts with customers *(Continued)*

On-premises financial and tax digitalisation solutions

The Group sells its on-premises financial and tax digitalisation solutions through customised on-premises software products, supporting hardware devices and software purchased from third parties and the associated maintenance and support services.

The customised on-premises software has standalone functionality and is capable of being distinct and therefore is accounted for as a separate performance obligation. The Group considers the grant of the licenses for the on-premises software as providing the customers the right to use the Group's intellectual property and the performance obligation is satisfied at a point in time when the software products are accepted by the customers.

Supporting hardware devices and software and maintenance and support services are recognised the same way as the provision of the cloud-based financial and tax digitalisation solutions.

Others

The Group provides advertisement publishing services, comprehensive tax, finance and accounting training for enterprises and education institutions. Revenue related to these services is recognised ratably over the contractual terms.

4.4 Contract costs

Costs to fulfill a contract

The Group incurs costs to fulfill a contract in its revenue generating activities. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognises an asset for these costs only if they meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

(b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.5 Cost of sales

Cost of sales consists primarily of employee benefit expenses, information technology infrastructure and communication charges, depreciation of property, plant and equipment, amortisation of costs to fulfill contracts and costs of hardware devices sold. Shipping charges to receive hardware devices from the suppliers are included in inventories, and recognised as cost of sales upon delivery of the hardware devices to the customers.

4.6 Research and development expenses

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(b) the intention to complete the intangible asset and use or sell it;

(c) the ability to use or sell the intangible asset;

(d) how the intangible asset will generate probable future economic benefits;

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Expenditure attributable to the development project during its development can be reliably measured. Other development costs that do not meet those criteria are expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.7 Leases

Definition of a lease

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 *Leases* at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.7 Leases *(Continued)*

Right-of-use assets *(Continued)*

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits

Refundable rental deposits paid are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.7 Leases *(Continued)*

Right-of-use assets *(Continued)*

Lease liabilities *(Continued)*

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review, in which cubes the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

4.8 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. The Group received no such government grants during the year.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.9 Employee benefits

Pension obligations and other social welfare benefits

Full-time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiaries, including consolidated affiliated entities of the Group make contributions to the government for these benefits based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the contributions made. The Group's contributions to the defined contribution plans are expensed as incurred and not reduced by being forfeited by those employees who leave the plans prior to vesting fully in the contributions.

Bonus plan

The expected cost of bonuses is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonuses as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonuses are expected to be settled within one year and are measured at the amounts expected to be paid when they are settled.

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees render the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.10 Share-based payments

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed using straight-line method over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserves). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payments reserves. For share options/other share incentives that vest immediately at the date of grant, the fair value of the share options/other share incentives granted is expensed immediately to profit or loss.

When share options are exercised or other share incentives granted are vested, the amount previously recognised in share-based payments reserves will be transferred to capital reserves. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserves will be transferred to accumulated losses.

Share incentives granted to non-employees

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.10 Share-based payments *(Continued)*

Equity-settled share-based payment transactions *(Continued)*

Modification to the terms and conditions of the share-based payment arrangement

When the terms and conditions of the share-based payment arrangement are modified, the Group recognises, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period. The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognised over the remainder of the original vesting period.

If the modification reduces the total fair value of the share-based arrangement, or is not otherwise beneficial to the employee, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

4.11 Taxation

Income tax expense represents the sum of current and deferred income tax expense

The tax currently payable is based on taxable profit during the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.11 Taxation *(Continued)*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.11 Taxation *(Continued)*

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

The Group has applied amendments to IAS 12 *Income Taxes*. For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group recognises a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

4.12 Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.13 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4.14 Impairment on property, plant and equipment, right-of-use assets, contract costs and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, contract costs and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, (if any).

The recoverable amounts of property, plant and equipment, right-of-use assets, contract costs and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit ("**CGU**") to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.14 Impairment on property, plant and equipment, right-of-use assets, contract costs and intangible assets *(Continued)*

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4.15 Inventories

Inventories consist primarily of goods shipped in transit and stock goods, and are stated at the lower of cost and the net realisable value, using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

4.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.16 Provisions *(Continued)*

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for sales of on-premises solutions are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Group's obligation.

4.17 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss "**FVTPL**") are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the year. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset and financial liability, or where appropriate, a shorter period to the net carrying amount on initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.17 Financial instruments *(Continued)*

Financial assets

Classification and subsequent measurement

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely, payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of each reporting period following the determination that the asset is no longer credit-impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.17 Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in fair value changes of financial assets and liabilities at fair value through profit or loss ("**FVTPL**").

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade and other receivables, deposits, amounts due from related parties, restricted bank deposits and cash and cash equivalents) and other items including contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group recognises lifetime ECL for trade receivables, contract assets and amounts due from related parties of trade nature.

For all other instruments, the Group measures the loss allowance equal to 12m ECL. unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.17 Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 *(Continued)*

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor^ ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.17 Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.17 Financial instruments *(Continued)*

Financial assets *(Continued)*

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables and amounts due from related parties of trade nature using a provision matrix taking into consideration historical credit loss experience and forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by the directors to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the net foreign exchange gains (losses);

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.17 Financial instruments *(Continued)*

Foreign exchange gains and losses *(Continued)*

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Financial liabilities and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. The shares with preferential rights subject to mandatory redemption in cash at the option exercisable by holders by agreed date are classified as financial liabilities as set out in Note 33.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and amounts due to related parties are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.17 Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Financial liabilities at FVTPL (Continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits/accumulated losses upon derecognition of the financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

4.18 Cash and cash equivalents

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of:

- cash, which comprises cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

- cash equivalents, which comprise short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Groups accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgment in applying accounting policies

The following are the critical judgment, apart from those involving estimations (see below), that Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Identification of performance obligations in contracts with customers

Contracts with customers may include multiple performance obligations. Judgments are made by Directors to determine whether performance obligations are distinct that should be accounted for separately, or not distinct within the context of the contracts and accounted for together. The directors consider a performance obligation as distinct when the customers can benefit from the good or service either on its own or together with other resources that are readily available to the customers and the Group's promise to transfer the good or service to the customers is separately identifiable from other promises in the contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Allocation of transaction price to each distinct performance obligation

When the performance obligations are assessed to be distinct from each other in contracts with customers, the Group allocates the transaction price to each performance obligation based on their relative stand-alone selling prices. The directors generally determine relative standalone selling prices based on its standard price list, taking into consideration market conditions and our overall pricing strategy.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Recognition of share-based payment expenses

As set out in note 35, the Group has granted share economic rights to its employees. The directors have used the Binomial option-pricing model to determine the total fair value of the options granted to employees, which is to be expensed over the vesting period. Significant estimate on assumptions, such as the underlying equity value, risk-free interest rate, expected volatility and dividend yield, are required to be made by the directors in applying the Binomial option-pricing model. The fair value of share economic rights was based on the value of the ordinary shares determined by using the discounted cash flow method with a discount for lack of marketability ("**DLOM**"). The directors estimate the expected percentage of grantees that will stay within the Group at the end of the vesting periods of the options and share economic rights ("**Expected Retention Rate**") in order to determine the amount of share-based payment expenses charged to the consolidated statement of profit or loss and other comprehensive income. The Expected Retention Rate is assessed based on historical pattern of retentions and management's best estimates.

Provision for ECL on trade receivables and contract assets

As set out in Note 38, the financial assets carried at amortized cost are assessed for impairment.

The ECL rates for trade receivables assessed on a collective basis are determined by a provision matrix model using historical loss rates adjusted for forward-looking estimates, based on days past due for groupings of customer industries. The ECL rates for contract assets assessed on a collective basis are estimated by taking into account probabilities of default and loss given default sourced from public market information adjusted for forward-looking estimates for groupings of various customers based on their industries.

For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of losses, the historical loss rates of trade receivables and probabilities of default of contract assets will be adjusted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Provision for ECL on trade receivables and contract assets *(Continued)*

The assessment of the correlation among historical loss rates, probabilities of default, loss given default, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual loss in the future. The information about the ECLs on the Group's trade receivables and contract assets are disclosed in note 38.

Estimation of the fair value of certain financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgments to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Recognition of implementation services revenue

As detailed in note 4.3, the Group recognises the implementation services revenue ratably beyond the initial contractual period when those future goods or services are transferred over the expected contract life, primarily based on anticipated renewal period and the estimated life of such services demand which is generally 5 years. The Group will revise the expected contract life where it is different from that of previously estimated. Periodic review could result in a change in expected contract life and therefore the revenue recognition in future periods.

6. SEGMENT INFORMATION

The Group does not distinguish revenue, costs and expenses between markets or segments in its internal reporting, and reports costs and expenses by nature as a whole.

While the Group offers the cloud-based SaaS solutions and on-premises solutions for financial and tax digitalisation solutions, data-driven analytics services, transaction management intelligent agent, financial business intelligent agent, operational decision-making intelligent agent as well as other services, the Group's business operates in one operating segment because most of the Group's sales operate on the Group's products and/or services offered are delivered through same pool of resources. Therefore, the Group's chief operating decision maker, who has been identified as the Chief Executive Officer ("**CEO**"), reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. As the Group's non-current assets are all located in the PRC and substantially all of the Group's revenue are derived from the PRC based on delivery location of the goods and services, no geographical information is presented.

During the year, except for the revenue from one customer amounting to RMB88,496,000 (2024: RMB79,922,000), there was no revenue derived from transactions with other single external customer which amounting to 10% or more of the Group's revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

7. REVENUE

Disaggregation of revenue from contracts with customers is set out as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Artificial intelligence business	**211,373**	–
– Jin Dun transaction management intelligent agents	**160,124**	–
– Rui Jie financial business intelligent agents	**39,008**	–
– Wen Shu operational decision-making Intelligent agents	**12,241**	–
Cloud financial and tax digitalisation solutions	**210,159**	208,901
On-premises financial and tax digitalisation solutions	**157,693**	144,990
Data-driven analytics services	**147,384**	304,674
Others	**1,987**	647
	728,596	659,212

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Timing of revenue recognition		
– Over time	**317,217**	389,347
– At a point in time	**411,379**	269,865
	728,596	659,212

Unsatisfied performance obligations

The following table shows the Group's unsatisfied performance obligations resulting from fixed-price contracts for contract terms of more than one year:

Management expects that the Group's unsatisfied performance obligations will be recognised as revenue:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Revenue to be recognised:		
– Within one year	**46,410**	57,557
– between 1 and 2 years	**9,551**	5,596
– more than 2 years	**4,112**	1,548
	60,073	64,701

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

8. OTHER INCOME

	Year ended December 31, 2025 RMB'000	2024 RMB'000
Government grants (note (a))	**892**	4,373
Tax refund (note (b))	**422**	521
Others	**10**	466
	1,324	5,360

Notes:

(a) During the year ended December 31, 2025, the Group recognised government grants amounted to approximately RMB789,000 which were granted for small and medium-sized enterprises and approximately RMB103,000 granted for artificial intelligence industry (2024: RMB4,051,000 granted for small and medium-sized enterprises and RMB130,000 granted for artificial intelligence industry) with no unfulfilled conditions.

(b) Tax refund mainly comprises the handling fee in relation to the withheld individual income tax and value added tax deduction.

9. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Year ended December 31, 2025 RMB'000	2024 RMB'000
Impairment losses, net of reversal, recognised (reversed) on:		
– Trade receivables	**3,700**	6,981
– Other receivables	**143**	(89)
– Contract assets	**1,086**	1,347
	4,929	8,239

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

10. OTHER GAINS AND LOSSES, NET

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Gain (loss) on disposal of property, plant and equipment	**1**	(388)
Gain on early termination of leases	**1,163**	–
Litigation provision reversed (recognised)	**1,617**	(2,442)
Impairment loss of interest in an associate	**–**	(3,553)
Net foreign exchange (loss) gain	**(5,028)**	2,912
Loss on liquidation of associates	**(6,485)**	–
Others	**(879)**	(3,328)
	(9,611)	(6,799)

11. EXPENSES BY NATURES

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Employee benefit expenses	**389,864**	437,217
Capitalised in intangible assets (note 22)	**(9,532)**	(4,063)
Share-based payment expenses	**6,573**	53,979
Commission and channel expenses	**7,264**	8,962
Professional service fees	**77,237**	72,231
Referral fees	**43,502**	142,580
Outsourcing expenses	**43,207**	28,118
Traveling and marketing expenses	**23,266**	27,294
Exhibition and promotion charges	**1,524**	10,020
Costs of inventories sold	**136,816**	1,683
Rental and utilities expenses	**7,381**	6,634
Depreciation of property, plant and equipment	**3,224**	4,139
Depreciation of right-of-use assets	**10,664**	13,879
Amortisation of intangible assets	**1,988**	1,539
Listing expenses	**–**	24,664
Auditor's remuneration	**900**	3,500
Others	**5,359**	19,976
	749,237	852,352

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

12. FINANCE INCOME

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Interest income		
– Bank deposits	**3,265**	2,449
– Others	**270**	–
	3,535	2,449

13. FINANCE COSTS

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Interest expenses on lease liabilities	**517**	361

14. FAIR VALUE CHANGES OF FINANCIAL ASSETS AND LIABILITIES AT FVTPL

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Changes in fair values of financial assets at FVTPL (note 25):		
Wealth management products		
– Net unrealised gain	**3,332**	2,794
– Net realised gain	**2,840**	6,229
Investments in associates with preferential rights	**9,736**	(57)
Investment in convertible loan	**2,585**	80
Arrangement/right to receive additional shares at nominal consideration	**108**	2,782
Unlisted equity investment	**2,589**	–
Changes in fair values of financial liabilities at FVTPL shares with preferential rights (note 33)	**–**	(306,641)
	21,190	(294,813)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

15. INCOME TAX EXPENSES

Under the Law of the PRC on Enterprise Income Tax ("**EIT**") and Implementation Regulation of the EIT Law, the tax rate of the Company and its subsidiaries is 25%.

The Company has been accredited as a "High and New Technical Enterprise" by the Science and Technology Bureau of Beijing and relevant authorities in December 2022 for a term of three years from December 1, 2022 to November 30, 2025 and has extended the right from December 2, 2025 to December 1, 2028 for another term of three years. In accordance with "Notice of the State Tax Bureau of the Ministry of Finance Regarding Certain Preferential Treatment Policies on Enterprise Income Tax", High and New Technical Enterprise is subject to income tax at a tax rate of 15%.

According to the relevant laws and regulations in the PRC, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year from October 1, 2022 onwards.

The income tax expenses of the Group is analysed as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
PRC EIT		
Current tax	**24**	457

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

15. INCOME TAX EXPENSES *(Continued)*

The income tax expenses during the year can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Loss before tax	**(9,956)**	(500,859)
Tax at the PRC EIT rate of 25%	**(2,489)**	(125,215)
Tax effect of share of results of associates and joint ventures	**77**	1,329
Tax effect of expenses not deductible for tax purpose	**5,566**	93,428
Tax effect of income not taxable for tax purpose	**(5,298)**	–
Effect of additional tax deduction for research and development expenses	**(8,074)**	(6,713)
Utilisation of tax losses previously not recognised	**–**	(194)
Tax effect of tax losses and deductible temporary differences not recognised	**10,242**	37,822
	24	457

16. DIVIDENDS

No dividends were declared or paid by the Company and its subsidiaries during both years.

17. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss by the weighted-average number of ordinary shares outstanding during the year. As the Group incurred net losses for the years ended December 31, 2025 and 2024, the diluted potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the years ended December 31, 2025 and 2024 are the same as basic loss per share of the respective years.

The following table sets forth the computation of the basic and diluted loss per share attributable to the owners of the Company during the years ended December 31, 2025 and 2024:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Loss attributable to owners of the Company	**(9,628)**	(501,210)
Weighted average number of ordinary shares outstanding	**225,907**	183,306

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

18. DIRECTORS, CHIEF EXECUTIVES AND SUPERVISORS, EMOLUMENTS

(a) Details of the emoluments paid/payable to the directors during the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows:

Year ended December 31, 2025

	Director's fee RMB'000	Salaries and wages RMB'000	Pension cost-defined contribution plan RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Performance bonus RMB'000 (Note I)	Share-based payment expenses RMB'000	Total RMB'000
A) EXECUTIVE DIRECTORS							
Ms. Chen Jie (Controlling Shareholder and Chairlady) (Note II)	–	895	70	101	400	–	1,466
Mr. Zou Yan	–	866	70	94	500	–	1,530
Mr. Fu Yingbo (Note III)	–	1,679	64	86	450	–	2,279
Ms. Jin Xin	–	1,022	70	94	417	–	1,603
Subtotal	–	4,462	274	375	1,767	–	6,878
B) NON-EXECUTIVE DIRECTORS							
Mr. Huang Miao	–	–	–	–	–	–	–
Mr. Diao Juanhuan	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
C) INDEPENDENT NON-EXECUTIVE DIRECTORS							
Mr. Tian Lixin	120	–	–	–	–	–	120
Mr. Song Hua	120	–	–	–	–	–	120
Mr. Wu Changhai	120	–	–	–	–	–	120
Mr. Ng Kwok Yin	156	–	–	–	–	–	156
Subtotal	516	–	–	–	–	–	516

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

18. DIRECTORS, CHIEF EXECUTIVES AND SUPERVISORS, EMOLUMENTS

(Continued)

(a) Details of the emoluments paid/payable to the directors during the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows: *(Continued)*

Year ended December 31, 2025 *(Continued)*

	Director's fee RMB'000	Salaries and wages RMB'000	Pension cost-defined contribution plan RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Performance bonus RMB'000 (Note I)	Share-based payment expenses RMB'000	Total RMB'000
D) SUPERVISORS							
Mr. Li Yunfeng	-	532	70	94	62	266	1,024
Mr. Luo Wenhong	-	-	-	-	-	-	-
Ms. Shi Haixia	-	503	70	94	61	92	820
Subtotal	-	1,035	140	188	123	358	1,844
Total	516	5,497	414	563	1,890	358	9,237

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

18. DIRECTORS, CHIEF EXECUTIVES AND SUPERVISORS, EMOLUMENTS *(Continued)*

(a) Details of the emoluments paid/payable to the directors during the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows: *(Continued)*

Year ended December 31, 2024

	Director's fee RMB'000	Salaries and wages RMB'000	Pension cost–defined contribution plan RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Performance bonus RMB'000 (Note I)	Share-based payment expenses RMB'000	Total RMB'000
A) EXECUTIVE DIRECTORS							
Ms. Chen Jie (Controlling Shareholder and Chairlady) (Note II)	–	892	66	94	190	–	1,242
Mr. Zou Yan	–	866	66	94	158	–	1,184
Mr. Fu Yingbo (Note III)	–	377	11	20	–	–	408
Mr. Yang Zhengdao (Note IV)	–	799	55	78	–	–	932
Ms. Jin Xin	–	944	66	94	132	–	1,236
Subtotal	–	3,878	264	380	480	–	5,002
B) NON-EXECUTIVE DIRECTORS							
Mr. Huang Miao	–	–	–	–	–	–	–
Mr. Diao Juanhuan	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
C) INDEPENDENT NON-EXECUTIVE DIRECTORS							
Mr. Tian Lixin	56	–	–	–	–	–	56
Mr. Song Hua	56	–	–	–	–	–	56
Mr. Wu Changhai	56	–	–	–	–	–	56
Mr. Ng Kwok Yin	73	–	–	–	–	–	73
Subtotal	241	–	–	–	–	–	241

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

18. DIRECTORS, CHIEF EXECUTIVES AND SUPERVISORS, EMOLUMENTS *(Continued)*

(a) Details of the emoluments paid/payable to the directors during the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows: *(Continued)*

Year ended December 31, 2024 *(Continued)*

	Director's fee RMB'000	Salaries and wages RMB'000	Pension cost– defined contribution plan RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Performance bonus RMB'000 (Note I)	Share-based payment expenses RMB'000	Total RMB'000
D) SUPERVISORS							
Mr. Li Yunfeng	–	533	66	94	30	800	1,523
Mr. Luo Wenhong	–	–	–	–	–	–	–
Ms. Shi Haixia	–	467	66	94	24	260	911
Subtotal	–	1,000	132	188	54	1,060	2,434
Total	241	4,878	396	568	534	1,060	7,677

Notes:

I Bonuses are determined based on the Group's performance and performance of the relevant individual within the Group.

II Ms. Chen Jie is an executive director and chief executive of the Company.

III Mr. Fu Yingbo was appointed as an executive director of the Company on October 17, 2024 and resigned on November 28, 2025.

IV Mr. Yang Zhengdao resigned as an executive director of the Company on October 17, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

18. DIRECTORS, CHIEF EXECUTIVES AND SUPERVISORS, EMOLUMENTS

(Continued)

(a) Details of the emoluments paid/payable to the directors during the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows: *(Continued)*

The executive directors emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. Also, Mr. Huang Miao, Mr. Diao Juanhuan, and Mr. Luo Wenhong did not receive any remuneration from the Company or the Group for their services provided to the Company and the Group. They were nominated by the Company's shareholders and their remunerations were borne by the Company's shareholders.

(b) Benefits and interests of Directors

Except for the emoluments disclosed above, there is no other benefits offered to the directors.

(c) Directors termination benefits

No director's termination benefit subsisted in both years presented.

(d) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available director's services subsisted in both years presented.

(e) Information about loans, quasi-loans and other dealings in favor of directors, their controlled bodies and connected entities

No other loans, quasi-loans or other dealings in favor of directors, their controlled bodies corporate and connected entities subsisted in both years presented.

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements or contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted in both years presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

19. FIVE HIGHEST PAID EMPLOYEES

The five individuals whose emoluments were the highest in the Group include one director (2024: nil) for the year ended December 31, 2025 and their emoluments are reflected in the analysis shown in note 18. The emoluments paid/payable to the remaining individuals during the year are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Salaries and wages	**1,462**	2,371
Pension cost – defined contribution plan	**99**	195
Other social security costs, housing benefits and other employee benefits	**133**	298
Performance bonus	**170**	52
Share-based payment expenses	**11,045**	17,343
Termination pay	**659**	900
Total	**13,568**	21,159

The emoluments fell within the following bands:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Emoluments bands:		
HK$2,000,001 to HK$2,500,000	**2**	–
HK$2,500,001 to HK$3,000,000	**–**	–
HKD3,500,001 to HKD4,000,000	**–**	2
HKD4,000,001 to HKD4,500,000	**1**	2
HKD4,500,001 to HKD5,000,000	**1**	–
HKD6,500,001 to HKD7,000,000	**–**	1
Total	**4**	5

During the year, none of the directors, CEO and supervisors of the Company had waived any emoluments and no emoluments had been paid by the Group to any of the directors, CEO and supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

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For the year ended December 31, 2025

20. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment RMB'000	Electronic equipment RMB'000	Special equipment RMB'000	Leasehold improvement RMB'000	Owned properties RMB'000	Total RMB'000
COST						
As at January 1, 2024	352	6,031	22,108	14,974	–	43,465
Additions	85	197	243	1,252	1,387	3,164
Disposals	(83)	(1,617)	(1,251)	–	–	(2,951)
As at December 31, 2024 and January 1, 2025	354	4,611	21,100	16,226	1,387	43,678
Additions	–	74	431	633	–	1,138
Disposals	–	(30)	(229)	–	–	(259)
As at December 31, 2025	354	4,655	21,302	16,859	1,387	44,557
DEPRECIATION						
As at January 1, 2024	314	4,648	15,076	13,478	–	33,516
Provided for the year	21	504	2,093	1,493	28	4,139
Eliminated upon disposals	(78)	(1,536)	(949)	–	–	(2,563)
As at December 31, 2024 and January 1, 2025	257	3,616	16,220	14,971	28	35,092
Provided for the year	19	446	1,581	1,112	66	3,224
Eliminated upon disposals	–	(24)	(200)	–	–	(224)
As at December 31, 2025	276	4,038	17,601	16,083	94	38,092
CARRYING VALUES						
As at December 31, 2024	97	995	4,880	1,255	1,359	8,586
As at December 31, 2025	78	617	3,701	776	1,293	6,465

Property, plant and equipment are depreciated on a straight-line basis after taking into account their estimated residual values with the following useful lives:

Office equipment	5 years
Electronic equipment	3 to 5 years
Special equipment	5 years
Leasehold improvement	Shorter of lease terms or 3 years
Owned properties	Over the shorter of the lease term or 20 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

21. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

(a) Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during the year are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Carrying amount at the beginning of the year	**3,278**	15,103
Additions	**29,312**	2,054
Early termination of a lease	**(9,247)**	–
Depreciation charge	**(10,664)**	(13,879)
Carrying amount at the end of the year	**12,679**	3,278

	2025	2024
	RMB'000	RMB'000
Expense relating to short-term leases	**4,893**	3,733
Total cash outflow for leases	**13,701**	19,164

The Group leases various offices which are negotiated for terms ranging from 1 to 4 years (2024: 1 to 5 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Right-of-use assets are depreciated on a straight-line basis over the lease terms.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

21. RIGHT-OF-USE ASSETS/LEASE LIABILITIES *(Continued)*

(b) Lease liabilities

The carrying amounts of the Group's lease liabilities and the movements during the year are as follows:

	Year ended December 31, 2025 RMB'000	2024 RMB'000
Carrying amount at the beginning of the year	**2,974**	15,990
New leases	**29,312**	2,054
Early termination of a lease	**(10,410)**	–
Accretion of interest recognised	**517**	361
Payments	**(8,808)**	(15,431)
Carrying amount at the end of the year	**13,585**	2,974

	Year ended December 31, 2025 RMB'000	2024 RMB'000
Lease liabilities payable		
– within one year	**11,779**	1,710
– between 1 and 2 years	**1,806**	1,264
Total	**13,585**	2,974
Analysed as:		
Non-current	**1,806**	1,264
Current	**11,779**	1,710
	13,585	2,974

The lease liabilities were measured at the present value of the payments that are not yet paid using incremental borrowing rates. The following table shows the weighted average incremental borrowing rates applied to lease liabilities:

	Year ended December 31, 2025 %	2024 %
Incremental borrowing rate	**4.03**	5.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

22. INTANGIBLE ASSETS

	Development project RMB'000	Software RMB'000	Patents RMB'000	Total RMB'000
COST				
As at January 1, 2024	–	2,929	7,767	10,696
Additions	4,063	498	–	4,561
As at December 31, 2024 and January 1, 2025	4,063	3,427	7,767	15,257
Additions	9,532	–	–	9,532
As at December 31, 2025	13,595	3,427	7,767	24,789
AMORTISATION				
As at January 1, 2024	–	1,829	2,365	4,194
Charge for the year	31	720	788	1,539
As at December 31, 2024 and January 1, 2025	31	2,549	3,153	5,733
Charge for the year	890	356	742	1,988
As at December 31, 2025	921	2,905	3,895	7,721
CARRYING VALUES				
As at December 31, 2024	4,032	878	4,614	9,524
As at December 31, 2025	12,674	522	3,872	17,068

The intangible assets above have finite useful lives which are amortised on a straight-line basis over the following periods:

Development project	5 years
Software	5 years
Patents	5 to 10 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

23. INVESTMENTS IN ASSOCIATES

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Cost of investments in associates	**117,354**	102,376
Share of post-acquisition profit	**2,701**	4,474
Accumulated impairment loss	**–**	(3,553)
Total	**120,055**	103,297

As at December 31, 2025 and 2024, the associates of the Group, which were accounted for using equity method, were as follows:

Company name	Place and date of incorporation/establishment and type of legal entity	Principal activities and place of operation	Percentage of ownership as at December 31, 2025	2024
Boya Zhongke (Beijing) Information Technology Co., Ltd. (博雅中科(北京)信息技術有限公司) ("**Boya Zhongke**")	PRC, November 2, 2016/ Limited liability company	Sales of finance management software in the PRC	**40%**	40%
Beijing Baiwang Cube Technology Co., Ltd. (北京百望立方科技有限公司) ("**Baiwang Cube**") (note (a))	PRC, August 26, 2020/ Limited liability company	Software development in the PRC	**10%**	10%
Third Block (Beijing) Digital Economy Industrial Park Co., Ltd. (第三街區(北京)數字經濟產業園有限公司)	PRC, April 25, 2021/ Limited liability company	Software development in the PRC	**20%**	20%
Guizhou Baiwangyun Technology Co., Ltd. (貴州百望雲科技有限公司)	PRC, July 5, 2021/ Limited liability company	Software development and maintenance service in the PRC	**40%**	40%
Ningbo Lanvuan Baiwang Cloud Digital Technology Co., Ltd. (寧波藍源百望雲數字科技有限公司)	PRC, August 17, 2021/ Limited liability company	Supply chain platform in the PRC	**40%**	40%
China Funded Yirong (Beijing) Technology Co., Ltd. (中資易融(北京)科技有限公司 ("**China Funded Yirong**") (note (b))	PRC, November 24, 2021/ Limited liability company	Software development in the PRC	**15%**	15%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

23. INVESTMENTS IN ASSOCIATES *(Continued)*

Company name	Place and date of incorporation/establishment and type of legal entity	Principal activities and place of operation	Percentage of ownership as at December 31, 2025	Percentage of ownership as at December 31, 2024
Guangxi United Credit Reporting Co., Ltd. (廣西聯合徵信有限公司) ("**Guangxi United**") (note (c))	PRC, December 3, 2018/ Limited liability company	Big data service in the PRC	**15%**	15%
Yunnan Baiwangyun Digital Technology Co., Ltd. (雲南百望雲數字科技有限公司)	PRC, August 8, 2022/ Limited liability company	Big data service platform in the PRC	**40%**	40%
Beijing Baiwang Intelligent Finance and Taxation Technology Co., Ltd. (北京百望智慧財税科技有限公司) Baiwang Intelligent (note (d))	PRC, August 31, 2022/ Limited liability company	Development, operation and maintenance of tax information system in the FRC	**–**	25%
Beijing Baiwang Cloud network Technology Co., Ltd. (北京百望雲網絡科技有限公司)	PRC, August 11, 2023/ Limited liability company	Software development and maintenance service in the PRC	**35%**	35%
Wuxi Yuanli Kunhou No. 2 Venture Capital Partnership (Limited partnership) (無錫原力坤厚二號創業投資合夥企業(有限合夥)) ("**Wuxi Yuanli Kunhou**") (note (e))	PRC, November 8, 2024/ Limited partnership company	Investment in the PRC	**50%**	54%
Wuxi Enterprise Credit Reporting Co., Ltd. (無錫企業徵信有限公司) ("**Wuxi Enterprise Credit**") (note (f))	PRC, August 31, 2024/ Limited liability company	Big data service in the PRC	**30%**	30%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

23. INVESTMENTS IN ASSOCIATES *(Continued)*

Notes:

(a) The Group is able to exercise significant influence over Baiwang Cube because it has the right to appoint the one out of three executive directors of Baiwang Cube under the articles of association of Baiwang Cube.

(b) The Group is able to exercise significant influence over China Funded Yirong because it has the power to appoint one out of the five directors of China Funded Yirong under the articles of association of China Funded Yirong.

(c) The Group is able to exercise significant influence over Guangxi United because it has the power to appoint one out of the five directors of Guangxi United under the articles of association of Guangxi United.

(d) The Group had the right to require additional shares of Baiwang Intelligent from one of the transferors based on the formula agreed in the agreement for a consideration of RMB1 if Baiwang Intelligent does not meet the specified sum of profit targets covering a three-year period from 2023 to 2025. The Group accounts for the arrangement/right to receive additional shares at nominal consideration as a financial asset at FVTPL as at December 31, 2024. Details are set out in note 25(d). During the year ended December 31, 2024, impairment loss amounted to approximately RMB3,553,000 had been recognised against 25% equity interest in Baiwang Intelligent held by the Group mainly due to the financial performance below the expectation at the initial investment.

    On November 3, 2025, the Group exercised the right to receive additional shares of Baiwang Intelligent and the shares with fair value of approximately RMB3,829,000 were transferred to the Group. On November 26, 2025, Baiwang Intelligent was liquidated and the capital of Baiwang Intelligent amounted to approximately RMB6,439,000 has been returned to the Group on November 26, 2025.

(e) In November 2024, the Group paid RMB5,000,000 to establish Wuxi Yuanli Kunhou with other three third parties, and as a limited partner, the Group has significant influence over Wuxi Yuanli Kunhou. In November 2025, the Group has made capital injection with additional amount of RMB25,000,000 together with other shareholders. The percentage of ownership in Wuxi Yuanli Kunhou held by the Group decreased from 54% to 50%.

(f) In August 2024, the Group entered into a share transfer agreement with a third party pursuant to which the Group acquired 30% equity interest of Wuxi Enterprise Credit for a consideration of RMB16,500,000. The acquisition was completed during the year ended December 31, 2024.

Included in the investments in associates is goodwill of approximately RMB62,544,000 arising on acquisitions of associates as at December 31, 2025 (2024: RMB62,544,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

23. INVESTMENTS IN ASSOCIATES *(Continued)*

Summarised financial information of material associates

Summarised financial information in respect of each of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS Accounting Standards.

All of these associates are accounted for using the equity method in these consolidated financial statements.

Boya Zhongke

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Current assets	**54,383**	58,364
Non-current assets	**5,130**	5,488
Current liabilities	**16,057**	16,656
Non-current liabilities	**14**	14

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Revenue	**26,226**	23,352
Loss and total comprehensive expense for the year	**(3,740)**	(8,171)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

23. INVESTMENTS IN ASSOCIATES *(Continued)*

Summarised financial information of material associates *(Continued)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Net assets attributable to owners of Boya Zhongke	**43,442**	47,182
Proportion of the Group's ownership in Boya Zhongke	**40%**	40%
The Group's share of net assets of Boya Zhongke	**17,491**	18,997
Goodwill	**52,595**	52,595
Carrying amount of the Group's interest in Boya Zhongke	**70,086**	71,592

Aggregate information of associates that are not individually material

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
The Group's share of (loss) profit and total comprehensive (expenses) income from associates	**(267)**	260
Aggregate carrying amount of the Group's interests in these associates	**49,969**	31,705

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

24. INVESTMENTS IN JOINT VENTURES

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Cost of investments in joint ventures	**6,985**	6,985
Share of post-acquisition loss	**(5,607)**	(4,446)
Total	**1,378**	2,539

As at December 31, 2025 and 2024, the joint ventures of the Group, which were accounted for using equity method, were as follows:

Company name	Place and date of incorporation/establishment and type of legal entity	Principal activities and place of operation	Percentage of ownership as at December 31, 2025	2024
Baiwang Cloud (Chongqing) Information Technology Service Co., Ltd. (百望雲(重慶)信息技術 服務有限公)	PRC, March 30, 2023/ Limited liability company	Software development in the PRC	**40%**	40%
Shanghai Baiwang Shuzhi Technology Co., Ltd. (上海百望數治信息科技 有限公司)	PRC, June 16, 2023/ Limited liability company	Software development in the PRC	**35%**	35%
Henan Baiwang Cloud digital technology Co., Ltd. (河南百望雲數字科技有限公司)	PRC, January 5, 2023/ Limited liability company	Software development in the PRC	**40%**	40%
Heilongjiang Baiwang Cloud Technology Co., Ltd. (黑龍江百望雲科技有限公司)	PRC, June 9, 2023/ Limited liability company	Software development in the PRC	**35%**	35%
Guangdong Baiwang Information Technology Co., Ltd. (廣東百望信息技術有限公司)	PRC, January 6, 2023/ Limited liability company	Software development in the PRC	**35%**	35%
Fujian Baiwang Cloud Technology Co., Ltd, (福建百望雲科技有限公司)	PRC, May 8, 2023/ Limited liability company	Software development in the PRC	**35%**	35%
Guizhou Yunshui Digital Technology Co., Ltd. (貴州雲稅數字科技有限公司) (note)	PRC, August 13, 2021/ Limited liability company	Big data service platform in the PRC	**–**	33%

Note: The entity was deregistered on July 25, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

24. INVESTMENTS IN JOINT VENTURES *(Continued)*

The directors of the Company consider that there is no material joint ventures that are individually material to the Group.

Aggregate information of joint ventures that are not individually material

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
The Group's share of loss and total comprehensive expense from the joint ventures	**(1,161)**	(2,287)
Aggregate carrying amount of the Group's interests in the joint ventures	**1,378**	2,539

25. FINANCIAL ASSETS AT FVTPL

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Current:		
Wealth management products issued by banks (note (a))	**90,736**	277,896
Non-current:		
Investments in associates with preferential rights (notes (b) and (c))	**78,041**	68,305
Investment in convertible loan (note (e))	**37,665**	35,080
Arrangement/right to receive additional shares at nominal consideration (notes (c) and (d))	**3,733**	7,454
Unlisted equity investment (note (f))	**32,589**	–
Subtotal	**152,028**	110,839
Total	**242,764**	388,735

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

25. FINANCIAL ASSETS AT FVTPL *(Continued)*

Notes:

(a) The Group's wealth management products are mainly the financial products issued by banks, which are short-term investments with expected rates of return ranging from 1.3% to 2.4% (2024: 0.8% to 2.9%), depending on the market price of underlying financial instruments, including structured deposits. The Group managed and evaluated the performance of investments on a fair value basis in accordance with the Groups risk management and investment strategy. Details of fair value measurements are set out in note 38.

(b) The carrying amount of investments in associates with preferential rights mainly represents the Group's investment in Beijing Daokou Jinke Technology Co., Ltd. (北京道口金科科技有限公司, "**Daokou Jinke**"), investment in Shanghai Xinghan Information Technology Co., Ltd. (上海星漢信息技術有限公司, "**Shanghai Xinghan**") and investment in Hangzhou Xinfengwei Network Technology Co., Ltd (杭州鑫蜂維網絡科技有限公司 "**Hangzhou Xinfengwei**").

On January 31, 2021, the Group acquired 26.34% redeemable shares with preferential rights in Daokou Jinke at a consideration of RMB34,015,000, and can exercise significant influence over Daokou Jinke. Upon occurrence of certain future events, the redeemable shares with preferential rights shall be redeemed at request of the Company by Daokou Jinke and/or its controlling owner at the higher of the Company's total investment plus annual interest of 8% accrued over the Group's shareholding period as well as declared dividends payable to the Company, and independent valuation. The Group accounts for the investment as a financial asset at FVTPL, with a carrying amount of RMB21,561,000 as at December 31, 2025 (2024: RMB19,669,000).

In February 2024, the Group entered into an investment agreement with the existing shareholders of Hangzhou Xinfengwei. Pursuant to the agreement, the Group acquired 2.5007% redeemable shares with preferential rights of Hangzhou Xinfengwei through a capital injection of RMB40,000,000 into Hangzhou Xinfengwei. Upon the occurrence of certain future events in Hangzhou Xinfengwei, the Group shall have the right to require the founding shareholders of Hangzhou Xinfengwei to redeem these redeemable shares with preferential rights at the repurchase price of the capital increase subscription price paid for the repurchase of the shares as agreed in the capital increase agreement plus the total amount of 10% simple interest generated during the shareholding period of the Group after deducting the dividends already received by the Group as the repurchase price. The Group accounts for the investment as a financial asset at FVTPL with a carrying amount of RMB49,114,000 at December 31, 2025 (2024: RMB41,459,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

25. FINANCIAL ASSETS AT FVTPL *(Continued)*

Notes: (Continued)

(c) In March 2022, the Group entered into an investment agreement with the existing shareholders of Shanghai Xinghan. Pursuant to which the Group acquired 19.3548% redeemable shares with preferential rights of Shanghai Xinghan through a capital injection of RMB18,000,000 in Shanghai Xinghan, and can exercise significant influence over Shanghai Xinghan. RMB13,950,000 of the capital injection into Shanghai Xinghan was paid when the investment agreement was signed. The remaining consideration of RMB4,050,000 is payable if several specific conditions are met, which include performance targets of revenue and net profit of 2024, and the Group accounts for such contingent consideration payable as a financial liability at FVTPL. The contingent consideration had been lapsed as at December 31, 2025 as the several specific conditions were not met. The fair value as at December 31 2024 presented was nil as valued by the Group with assistance from an independent professional valuer with reference to the fair value of Shanghai Xinghan's ordinary shares.

Upon occurrence of certain future events, the redeemable shares with preferential rights shall be redeemed at the request of the Group by Shanghai Xinghan and/or a third party designated by Shanghai Xinghan. at a consideration of the Group's injected capital plus annual compound interest of 8% accrued over the Group's shareholding period minus the dividend received by the Group. The Group accounts for the investment as a financial asset at FVTPL, with a carrying amount of RMB6,766,000 as at December 31, 2025 (2024: RMB6,577,000).

In part of the investment agreement, the Group also has the right to receive additional shares, from one of Shanghai Xinghan's founding shareholders at nil consideration, based on the formula agreed in the investment agreement if Shanghai Xinghan does not meet the specified sum of revenue targets covering a three-year period from 2022 to 2024. The Group accounts for the said right as a financial asset at FVTPL, with a carrying amount of RMB3,733,000 as at December 31, 2025 (2024: RMB3,625,000).

(d) As at December 31, 2024, the carrying amount of arrangement/right to receive additional shares at nominal consideration included the Group's right to receive additional shares in Baiwang Intelligent from one of Baiwang Intelligent's owners. In connection with the investment agreement, the Group also had the right to require one of the controlling owners of Baiwang Intelligent to transfer additional shares of Baiwang Intelligent based on the formula agreed in the investment agreement if Baiwang Intelligent did not meet the specified sum of profit targets covering a three-year period from 2023 to 2025. The Group accounted for the said right as a financial asset at FVTPL, with a carrying amount of RMB3,829,000 as at December 31, 2024 (2024: RMB3,829,000).

During the year ended December 31, 2025, the Group exercised the right and the carrying amount of the financial assets at FVTPL was transferred to investments in Baiwang Intelligent of which was accounted for as investments in associates. Details are set up in note 23(d).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

25. FINANCIAL ASSETS AT FVTPL *(Continued)*

Notes: (Continued)

(e) On November 17, 2024, the Company entered into the convertible loan agreement with Huanqiu Zhilian (Wuxi) Digital Technology Company Limited (環球智鏈(無錫)數字科技有限公司) and Baiwangyun Overseas (Wuxi) Technology Co., Ltd. (百望雲海外(無錫)科技有限公司) ("**Baiwangyun Overseas**"), pursuant to which the Company agreed to make available to Baiwangyun Overseas the convertible loan in a principal amount of RMB35,000,000 at an interest rate of 8% per annum, convertible to the equity interest in Baiwangyun Overseas if any outstanding principal amount not being repaid upon maturity. The Group accounts for the investment as a financial asset at FVTPL with a carrying amount of RMB37,665,000 at December 31, 2025 (2024: RMB35,080,000).

(f) On January 24, 2025, the Company entered into an investment agreement with 無錫惠山原鑫曦望產業升級併購投資合夥企業(有限合夥) ("**惠山原鑫**") and other investors, pursuant to which the Company agreed to invest the amount of RMB30,000,000 which accounts for 7.19% of equity interest in the entity. The Group accounts for the unlisted investment as a financial asset at FVTPL with carrying amount of RMB32,589,000 as at December 31, 2025 (2024: n/a).

26. DEFERRED TAXATION

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset when applicable.

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the years ended December 31, 2024 and 2025:

	ECL provisions RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Lease liabilities RMB'000
As at January 1, 2024	11	(2,466)	2,455	–
Credit (charge) to profit or loss	15	1,860	(1,875)	–
As at December 31, 2024 and January 1, 2025	26	(606)	580	–
(Charge) credit to profit or loss	(157)	(1,379)	1,536	–
As at December 31, 2025	(131)	(1,985)	2,116	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

26. DEFERRED TAXATION *(Continued)*

As at December 31, 2025, the Group had estimated unused tax losses of approximately RMB883,310,000 (2024: RMB853,350,000), which are available for offset against future profits.

No deferred tax asset has been recognised in respect of such tax loss due to the unpredictability of future profit streams.

The unrecognised tax losses which have fixed expiry date, will be expired in the following years:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
2025	**–**	956
2026	**13,350**	13,350
2027	**22,836**	22,836
2028	**168,509**	168,509
2029	**245,986**	245,986
2030	**24,108**	24,108
2031	**63,222**	63,222
2032	**104,229**	104,229
2033	**99,744**	99,744
2034	**110,410**	110,410
2035	**30,916**	–
	883,310	853,350

Note: In accordance with the "Notice on Extending the Period of Loss Carryover for High tech Enterprises and Technological Small and Medium sized Enterprises" (Cai Shui [2018] No. 76), as a High and New Technical Enterprise, the Company has a deductible tax loss expiration period of 10 years.

As at December 31, 2025, the Group had deductible temporary differences of approximately RMB59,507,000 (2024: RMB49,455,000), and among these amounts, approximately RMB51,896,000 (2024: RMB41,844,000) of deductible temporary differences have not been recognised as deferred tax assets as it is not probable that such deductible temporary differences would be utilised in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

27. INVENTORIES

	Year ended December 31, 2025 RMB'000	2024 RMB'000
Goods in transit	**197**	253
Goods available for sale	**2,111**	2,138
	2,308	2,391

28. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Year ended December 31, 2025 RMB'000	2024 RMB'000
Trade receivables – contracts with customers	**196,632**	74,921
Less: allowance for credit losses	**(15,465)**	(11,960)
	181,167	62,961
Notes receivables	**421**	569
Prepayments		
– to suppliers	**9,715**	6,239
– to others	**2,334**	1,182
Value-added tax recoverable	**8,022**	1,837
Deposits refundable within one year	**3,603**	4,724
Other receivables (note)	**23,865**	9,797
Less: allowance for credit losses	**(269)**	(126)
	47,691	24,222
Total	**228,858**	87,183

Note: The amount mainly represented other receivables for bid security amounted to approximately RMB1,788,000 (2024: RMB3,612,000), advances to suppliers amounted to approximately RMB1,117,000 (2024: RMB1,898,000) and a loan to an independent third party amounted to approximately RMB20,000,000 (2024: nil), of which at interest rate of 3% (2024: n/a) per annum, unsecured and repayable within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

28. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

The following is an aging analysis of the Group's gross carrying amount of trade receivables presented based on the date of revenue recognition:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Within 30 days	**88,132**	21,415
31 to 180 days	**39,516**	22,730
181 to 365 days	**31,495**	12,742
Over 1 year	**37,489**	18,034
	196,632	74,921

Out of the past due balances of RMB75,546,000 as at December 31, 2025 (2024: RMB44,791,000), the balance that has been past due 90 days or more of RMB56,974,000 as at December 31, 2025 (2024: RMB34,126,000) is not considered as in default by considering the historical payment arrangement. The Group does not hold any collateral over these balances or charge any interest thereon.

The Group ordinarily grants a credit period within 180 days from the invoice date. The extension of credit period to customers may be granted by considering the type of customers, current creditworthiness, financial condition and payment history.

Details of impairment assessment of trade and other receivables are set out in note 38.

29. CONTRACT COSTS

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Costs to fulfil contracts		
Current	**35,022**	44,971
Non-current	**21,776**	31,690
	56,798	76,661

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

29. CONTRACT COSTS *(Continued)*

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Costs to fulfil contracts transferred to cost of sales and services	**44,971**	51,075

The Group recognised an asset in relation to costs to fulfil contracts, which are mostly employee benefit expenses. Contract costs are recognised as part of cost of sales and services in the consolidated statement of profit or loss and other comprehensive income, in the period in which revenue is recognised. The directors expect the contract costs to be completely recovered. There was no impairment in relation to the balance of contract costs during the year.

30. BANK DEPOSITS/RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Restricted bank deposits	**3,439**	4,180
Cash and cash equivalents	**385,683**	443,899
	389,122	448,079

Restricted bank deposits

Restricted bank deposits refer to the bank balance deposited into the restricted bank accounts for letters of guarantees issued by the banks and the bank balance frozen due to pending litigation. The letters of guarantees are provided to certain of the Group's customers as performance bonds until the completion or agreed progress of the Group's revenue contracts with the customers. The annual interest rates for such balances was 0.05% for the year ended December 31, 2025 (2024: 0.10%).

Cash and cash equivalents

Bank balances and cash of the Group comprise bank balances and cash on hand. Bank balances carry interest at prevailing market rates based on daily bank deposit rate for the year. The bank deposits carry interest rate ranging from 0.05% to 0.35% for the year ended December 31, 2025 (2024: 0.10% to 0.35%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

31. TRADE AND OTHER PAYABLES

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Trade payables	**36,751**	41,593
Other payables:		
Accrued staff costs	**23,937**	62,564
Other tax payables	**13,249**	9,986
Others	**12,951**	19,814
Subtotal	**50,137**	92,364
Total	**86,888**	133,957

The credit period on trade payables is 30–90 days. The following is an aging analysis of the Group's trade payables presented based on the date of purchase recognised at the end of each year:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Within 3 months	**26,059**	28,959
3 to 6 months	**3,728**	1,778
6 to 12 months	**1,151**	1,587
1 to 2 years	**191**	4,155
Over 2 years	**5,622**	5,114
	36,751	41,593

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

32. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Contract assets	**36,114**	68,120
Less: Allowance for credit losses	**(6,564)**	(5,507)
	29,550	62,613
Analysed as:		
Current	**29,364**	61,940
Non-current	**186**	673
Total	**29,550**	62,613

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Contract liabilities	**88,980**	114,720

As at January 1, 2024, contract liabilities amounted to RMB122,744,000.

Revenue recognised in relation to contract liabilities

The following table shows the Group's revenue recognised during the years related to brought forward contract liabilities:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**98,631**	87,638

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

32. CONTRACT ASSETS AND CONTRACT LIABILITIES *(Continued)*

Significant changes in contract assets and contract liabilities

Contract assets relate to the Group's right to consideration in exchange for goods and services that the Group has transferred to customers. The decrease during the year ended December 31, 2025 is mainly due to the decrease in revenue generated from the data-driven analytics services.

Contract liabilities of the Group mainly arise from the non-refundable advance payments made by customers while the underlying services are yet to be provided. The decrease during the year ended December 31, 2025 and 2024 is mainly due to the increased revenue recognised during the year.

33. FINANCIAL LIABILITIES AT FVTPL

During the years from 2016 to 2021, the Group entered into several share subscription agreements with independent investors and issued eight series of shares with preferential rights.

All the shares with preferential rights were automatically converted into 76,645,000 ordinary shares of the Company upon the global offering on July 9, 2024. As a result of the automatic conversion, fair value change of the shares with preferential rights amounting to RMB306,641,000 was recognised immediately in profit or loss with reference to the offer price of HKD36 per share of the global offering on the same date.

Movements in financial liabilities at FVTPL during the year ended December 31, 2024 are set out in note 38.

34. SHARE CAPITAL

	Number of Ordinary share '000	Number of Ordinary share with preferential rights '000	Nominal value of ordinary shares RMB'000
Authorised and issued			
As at January 1, 2024	140,000	76,645	216,645
Issuance of new shares upon global offering (note)	9,262	–	9,262
Automatic conversion of preferred shares into ordinary shares upon global offering (note 33)	76,645	(76,645)	–
As at December 31, 2024 and 2025	225,907	–	225,907

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

34. SHARE CAPITAL *(Continued)*

Note: On July 9, 2024, upon its listing on the Main Board of the Stock Exchange, the Company issued 9,262,000 new ordinary shares at par value of RMB1 per share for cash consideration of HKD36 each, and raised gross proceeds of approximately HKD333,432,000 (equivalent to approximately RMB304,437,000). The respective share capital amount was approximately RMB9,262,000 and share premium arising from the issuance was approximately RMB255,458,000, net of the share issuance costs. The share issuance costs paid mainly include share underwriting commissions, lawyers' fees, reporting accountant's fee and other related costs associated with the listing, which were incremental costs directly attributable to the issuance of new shares. These costs amounting to RMB39,717,000, were treated as a deduction against the share premium arising from issuance.

A total of 135,064,706 domestic unlisted share (the "**Domestic shares**") have been converted into H shares on December 18, 2025, and commenced listing on the Stock Exchange on December 19, 2025.

35. SHARE-BASED PAYMENTS

Share-based payments plans

(a) 2017 and 2018 Share Incentive

On September 5, 2017, the Company's shareholders' meeting passed a resolution, according to which 40,000,000 ordinary shares of the Company were issued to Ms. Chen Jie, the controlling shareholder and chairlady of the Company, at RMB1.23 per share. On October 6, 2017 and April 4, 2018, two other shareholders of the Company transferred an aggregate of 20,000,000 ordinary shares of the Company to Tianjin Douying, a company controlled by Ms. Chen Jie, at RMB1.23 per share. On December 29, 2017, another shareholder of the Company transferred 30,000,000 ordinary share of the Company to Ningbo Xiuan, a company controlled by Ms. Chen Jie, at RMB1.23 per share.

The Group recognised these shares transactions as equity-settled share-based payments with no vesting conditions in recognition of Ms. Chen Jie's contribution to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

35. SHARE-BASED PAYMENTS *(Continued)*

Share-based payments plans *(Continued)*

(a) 2017 and 2018 Share Incentive *(Continued)*

Since 2018, share-based compensation benefits are provided to certain directors, senior management and employees via the Company's share incentive schemes, which includes the grant of share options and share economic rights ("**SERs**") through the limited partnerships, including Tianjin Duoying, Tianjin Shuitong Technology Center (Limited Partnership) (天津税通科技中心(有限合夥)), Tianjin Piaoying Technology Center (Limited Partnership) (天津票盈科技中心(有限合夥)), Tianjin Piaowang Technology Center (Limited Partnership) (天津票旺科技中心(有限合夥)), Tianjin Piaofu Technology Center (Limited Partnership) (天津票福科技中心(有限合夥)), and Ningbo Xiuan (hereinafter collectively referred to as "**LLPs**"). As at December 31, 2025, the LLPs held 15.4587% in total of the shares of the Company (2024: 15.4587%).

(b) 2018 and 2019 Share Economic Rights ("**2018 and 2019 SERs**")

SERs were granted to eligible employees from 2018 to 2020 through the LLPs. The value of SERs is indexed to the equity value of the Company. The vesting of SERs is subject to the requisite service until the completion of IPO. If eligible employees resign before the IPO, the controlling shareholder or parties designated by the Company have the right to repurchase and the resigned employees have to sell the SERs granted and vested at the subscription price. Therefore, the completion of the IPO constitutes a vesting condition. Upon meeting the condition, the grantees may choose to dispose the vested SERs through the LLPs and the LLPs shall dispose the shares of the Company underlying such vested SERs and transfer the proceeds to the grantees. The Group does not bear the obligation to settle the SERs plan for employees, the SERs plan was accounted for as an equity transaction for share-based payments. The share-based payment expenses are not recognised until the IPO becomes probable.

In 2020 and 2021, two employees resigned and Ms. Chen Jie and the Company decided to waive the repurchase right of service period related vesting condition in recognition of their contribution to the Group, which resulted in a modification with removal of the vesting condition.

In December 2020, except for the 2018 and 2019 SERs granted to these two employees, the Company cancelled the 2018 and 2019 SERs and accounted for the cancellation as an acceleration of vesting and recognised immediately the amount that otherwise would have been recognised for services received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

35. SHARE-BASED PAYMENTS *(Continued)*

Share-based payments plans *(Continued)*

(b) 2018 and 2019 Share Economic Rights ("**2018 and 2019 SERs**") *(Continued)*

The movement of the 2018 and 2019 SERs during the year ended December 31, 2024 and 2025 is as follows:

	Number of 2018 and 2019 SERs '000	Weighted-average grant date fair value RMB
As at January 1, 2024	700	11.92
Vested and exercised	(700)	11.92
As at December 31, 2024, January 1, 2025 and December 31, 2025	–	–

The 2018 and 2019 SERs were priced using the value of the ordinary shares determined by using the discounted cash flow method with a DLOM. The key inputs used to evaluate the grant date fair value are as follows:

	2018 and 2019 SERs
Discount rate	19.00%–21.00%
DLOM	16.00%–21.00%

(c) The 2020 SERs Scheme

In 2021 and 2022, pursuant to 2020 SERs Scheme, an aggregate of 13,780,000 SERs of the LLPs were granted, representing 13,780,000 ordinary shares of par value of RMB1 each in the share capital of the Company with the subscription price at RMB1.23 ("**2020 SERs I**") or RMB2.51 ("**2020 SERs II**") for each SER to eligible employees. The vesting is subject to the requisite service until the completion of the IPO of which 25% of the SERs are to be vested upon the completion of the IPO, and 25% in each of the subsequent three years. The SERs could not be sold during the period from date of grant to 3 years after the completion of the IPO ("**Lock-up Period**"), after which 50% of vested SERs can be sold by the SERs holders in each of the subsequent two years. If the eligible employees resign during the Lock-up Period, the controlling shareholder or parties designated by the Company have the right to repurchase and the resigned employees have to sell the unvested SERs at the subscription price. The share-based payment expenses are not recognised until the IPO becomes probable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

35. SHARE-BASED PAYMENTS *(Continued)*

Share-based payments plans *(Continued)*

(c) The 2020 SERs Scheme *(Continued)*

In addition, in 2021, an aggregate of 6,700,000 SERs of the LLPs were granted, representing 6,700,000 ordinary shares of par value at RMB1 each in the share capital of the Company with the price of RMB1.23/2.51 ("**2020 SERs III**") for each SER. The 2020 SERs III were not subject to the IPO condition and were fully vested upon the grant.

In 2022, the Company made the following modifications to the 2020 SERs I and 2020 SERs II:

1) For 2020 SERs I, the SERs could not be sold from the date of grant to 1 year after the completion of the IPO ("**Revised Lock-up Period**"), after which 50%, 25% and 25% of vested SERs can be sold in each of the subsequent three years. If the eligible employees resign during the Revised Lock-up Period and first 2 years after the Revised Lock-up Period, the controlling shareholder or parties designated by the Company have the right to repurchase and the resigned employees have to sell the unvested SERs at the subscription price ("**2022 SERs I**").

2) For 2020 SERs II, the SERs could not be sold from the date of grant to 1 year after the completion of the IPO, after which 20%, 20%, 30% and 30% of vested SERs could be sold in each of the subsequent four years. If the eligible employees resign during the Revised Lock-up Period and first 2 years after the Revised Lock-up period, the controlling shareholder or parties designated by the Company have the right to repurchase and the resigned employees have to sell the unvested SERs at the subscription price ("**2022 SERs II**").

In 2023, pursuant to the 2020 SERs III, an aggregate of 5,450,000 SERs of the LLPs were granted to two key management personnel and a consultant, representing 5,450,000 ordinary shares at par value of RMB1 each in the share capital of the Company with the price of RMB1.23/2.51 for each SER. The share-based payment expenses of RMB114,126,000 were recognised in the year ended 31 December 2023.

In 2024, several employees resigned from the Company, Ms. Chen Jie and the Company decided to waive the repurchase right of service period related vesting condition in recognition of their contribution to the Group, which resulted in a modification with removal of the vesting condition, the remuneration committee, in its ultimate discretion, made a decision in 2024 (that is, before several employees failed to meet the service vesting condition by resigning) that the Company would still provide award on termination of service. This was accounted for as a beneficial modification (that is, a reduction in the vesting period) and a change in the number of SERs expected to be repurchased. The share-based payment expenses of RMB10,956,000 were recognised during the year ended December 31, 2024. It would not be viewed as a substantive forfeiture of the original award and grant of a new award.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

35. SHARE-BASED PAYMENTS *(Continued)*

Share-based payments plans *(Continued)*

(c) The 2020 SERs Scheme *(Continued)*

In 2025, several employees resigned from the Company, Ms. Chen Jie and the Company decided to waive the repurchase right of service period related vesting condition in recognition of their contribution to the Group, which resulted in a modification with removal of the vesting condition, the remuneration committee, in its ultimate discretion, made a decision in 2025 (that is, before the several employees failed to meet the service vesting condition by resigning) that the Company would still provide award on termination of service. This would be accounted for as a beneficial modification (that is, a reduction in the vesting period) and a change in the number of SERs expected to repurchase, the share-based payment expenses of RMB8,073,000 was recognised during the year ended December 31, 2025. It would not be viewed as a substantive forfeiture of the original award and grant of a new award.

A summary of the 2020 SERs' movement is as follows:

	Number of 2020 SERs '000	Weighted-average grant date fair value RMB
As at January 1, 2024	20,840	17.72
Forfeited	(735)	16.07
Vested and exercised	(14,441)	18.54
As at December 31, 2024 and January 1, 2025	5,664	15.85
Forfeited	(879)	15.49
Vested and exercised	(2,581)	16.26
As at December 31, 2025	2,204	15.52

The 2020 SERs were priced using the value of the ordinary shares determined using the discounted cash flow method with a DLOM. The key inputs used to evaluate the grant date fair value are as follows:

	2020 SERs
Discount rate	18.00%
DLOM	11.00%–23.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

35. SHARE-BASED PAYMENTS *(Continued)*

Share-based payments plans *(Continued)*

(d) The 2022 SERs Scheme

In 2022, pursuant to the 2022 SERs II, and aggregate of 445,000 SERs were granted, representing 445,000 ordinary shares at par value of RMB1 each in the share capital of the Company with the price of RMB2.51 each SER was granted to eligible employees.

In 2023, pursuant to the 2022 SERs I and 2022 SERs II, an aggregate of 7,355,000 SERs of the LLPs were granted, representing 7,355,000 ordinary shares at par value of RMB1 each in the share capital of the Company with the subscription price of RMB1.23 or RMB2.51 each, respectively.

The following table discloses movements of the newly granted 2022 SERs.

	Number of 2020 SERs '000	Weighted-average grant date fair value RMB
As at January 1, 2024	7,590	17.79
Forfeited	(936)	17.43
Vested and exercised	(1,821)	17.82
As at December 31, 2024 and January 1, 2025	4,833	17.85
Forfeited	(1,435)	17.43
Vested and exercised	(1,210)	18.21
As at December 31, 2025	2,188	17.92

The 2022 SERs were priced using the value of the ordinary shares determined using the discounted cash flow method with a DLOM. The key inputs used to evaluate the grant date fair value are as follows:

	2022 SERs
Discount rate	18.00%
DLOM	19.00%–21.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

35. SHARE-BASED PAYMENTS *(Continued)*

Share-based payments plans *(Continued)*

(e) The 2025 Share Incentive Scheme ("SIs")

The 2025 Share Incentive Scheme was approved and adopted by the Company on June 27, 2025. The grantees under the 2025 Share Incentive Scheme are the senior management members and core employees of the Company. No more than 5,500,000 restricted shares (representing 2.4346% of the total issued share capital of the Company as at the adoption date of the scheme) represented by the proprietary interest in the shareholding platform can be granted to the grantees. The grant price of each restricted share underlying the 2025 Share Incentive Scheme is RMB2.51/share or the equivalent amount in Hong Kong dollars. The 2025 Share Incentive Scheme will be valid and effective for a period of ten years commencing on June 27, 2025. On July 29, 2025, the grant of restricted shares representing 4,750,000 shares to five grantees under the 2025 Share Incentive Scheme was approved, accounting for approximately 2.10% of the issued share capital of the Company.

The following table discloses movements of the newly granted 2025 SIs.

	Number of 2025 SIs '000	Weighted-average grant date fair value RMB
Granted	5,260	13.77
Forfeited	(4,450)	13.77
As at December 31, 2025	810	13.77

The share-based payment expenses of RMB6,573,000 (2024: RMB53,979,000), which include the expenses of the 2020 SERs Scheme, were recognised during the year ended December 31, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

36. CAPITAL COMMITMENTS

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Capital expenditure in respect of acquisition of equity interests in associates	**38,596**	71,651

The capital commitment mainly represents the outstanding capital injection commitments in certain investments in associates in accordance with the agreements entered into with other shareholders, in proportion to the existing shareholdings. Such commitments can be nullified by agreements with all the shareholders involved.

37. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the capital. The Group may issue new shares.

38. FINANCIAL INSTRUMENTS

Financial instruments by categories

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Amortised cost	**628,442**	542,926
Financial assets at FVTPL	**242,764**	388,735
	871,206	931,661
Financial liabilities		
Amortised cost	**53,593**	56,103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

38. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management

The Group's activities expose it to a variety of financial risks, such as market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the directors.

The Group's major financial instruments include financial assets at FVTPL, trade and other receivables, bank balances and cash, restricted bank deposits, term deposits, amounts due from (to) related parties and trade and other payables. Details of the financial instruments are disclosed in respective notes. The policies on how to mitigate these risks are set out below. The directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest rate risk, whereas fixed rate instruments expose the Group to fair value interest risk. The Group's cash flow interest rate risk primarily arose from bank balances and cash with market interest rate and market interest rate indexed wealth management products, details of which have been disclosed in note 30 and note 25, respectively. The Group's fair value interest rate risk primarily arises from term deposits and lease liabilities, details of which have been disclosed in note 30 and note 21 respectively.

The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

The directors consider that the impact to profit or loss for respective years are insignificant for a reasonable change in the market interest rate. Accordingly, no sensitivity analysis is prepared.

Other price risk

The Group is exposed to price risk in respect of part of its market price indexed wealth management products, investments in associates with preferential rights, investment in convertible loan, arrangement/right to receive additional shares at nominal consideration and unlisted equity investment. The Group has appointed a special team to monitor the price risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

38. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management *(Continued)*

(a) Market risk *(Continued)*

Other price risk (Continued)

The Group currently does not have a policy to hedge the other price risk. However, the management closely monitors such risk by maintaining a portfolio of investments with different risks.

Sensitivity analyses for shares with preferential rights fair value measurement categorised within Level 3 were not disclosed as the directors consider that the whole balance has been converted into ordinary shares as set out in note 33.

The Group's sensitivities to market price indexed wealth management products, investments in associates with preferential rights, investment in convertible loan, arrangement/right to receive additional shares at nominal consideration and unlisted equity investment at the end of each reporting periods while all other variables were held constant are as follows:

	Year ended December 31,	
	2025	2024
Reasonably possible change in relevant market indexes	**16%**	16%
	RMB'000	RMB'000
Increase in post-tax loss and total comprehensive expense for the year		
as a result of decrease in relevant market indexes	**(38,842)**	(62,198)
as a result of increase in relevant market indexes	**38,842**	62,198

(b) Credit risk and impairment assessment

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risk is mainly associated with trade and other receivables, Cash and cash equivalents, restricted bank deposits, term deposits, amounts due from related parties and contract assets.

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stared in the consolidated statements of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

38. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

		Year ended December 31,	
		2025	2024
	12m or Lifetime ECL	**RMB'000**	RMB'000
Financial assets at amortised cost			
Cash and cash equivalents	12m ECL	**385,683**	443,899
Restricted bank deposits	12m ECL	**3,439**	4,180
Notes receivables	12m ECL		
	Lifetime ECL	**421**	569
Trade receivables	Lifetime ECL (not credit impaired)	**192,836**	71,448
Trade receivables	Lifetime ECL (credit impaired)	**3,796**	3,473
Contract assets	Lifetime ECL (not credit impaired)	**29,807**	63,219
Contract assets	Lifetime ECL (credit impaired)	**6,307**	4,901
Other receivables and deposits	12m ECL	**27,399**	14,458
Other receivables and deposits	Lifetime ECL (credit impaired)	**69**	63
Amounts due from related parties			
– trade nature	Lifetime ECL (not credit impaired)	**21,112**	17,058
– trade nature	Lifetime ECL (credit impaired)	**1,133**	1,125
– contract assets	Lifetime ECL (not credit impaired)	**8,278**	6,177

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

38. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

The Group's bank balances and cash, restricted bank deposits, and term deposits are mainly deposited in state-owned or reputable financial institutions in PRC. There has been no recent history of default in relation to these financial institutions. The Group considers the instruments have low credit risk because they have a low risk of default and the counterparties have a strong capacity to meet its contractual cash flow obligations in the near term. The identified credit losses are insignificant during the year. The Group considers that there is no significant credit risk and no material losses due to the default of the other parties.

To manage risk arising from trade receivables, contract assets and amounts due from related parties of trade nature, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. The Group ordinarily grants a credit period within 180 days from invoice date and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors. In view of the sound collection history of receivables due from them, for measuring ECL, trade receivables, contract assets and amounts due from related parties of trade nature have been grouped based on shared credit risk characteristics and aging. In addition, trade receivables and amounts due from related parties of trade nature with significant balances and contract assets with significant balances or credit-impaired are assessed for ECL individually.

As at December 31, 2025, the Group has concentration of credit risk as 26.0% (2024: 18.7%) of the total trade receivables was due from the Group's largest debtor as 56.0% (2024: 41.7%) of the total trade receivables was due from the Group's five largest debtors. In order to manage the credit risk, the management of the Group has delegated a team responsible for monitoring the credit approvals and collection status.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

38. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

	Gross carrying amount RMB'000	ECL rate	Loss allowance RMB'000
As at December 31, 2025			
Trade receivables (including amounts due from related parties)			
Assessed individually	**76,803**	**2.4%**	**1,845**
Assessed on collective basis (by aging)			
– 0–90 days	**70,061**	**1.2%**	**830**
– 91–180 days	**33,865**	**5.2%**	**1,763**
– 181–365 days	**19,796**	**9.7%**	**1,916**
– Over 1 year	**18,352**	**57.6%**	**10,567**
	218,877		**16,921**
Contract assets (including amounts due from related parties)			
Assessed individually	**16,896**	**37.8%**	**6,380**
Assessed on collective basis	**27,496**	**1.0%**	**274**
	44,392		**6,654**
	263,269		**23,575**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

38. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

	Gross carrying amount RMB'000	ECL rate	Loss allowance RMB'000
As at December 31, 2024			
Trade receivables (including amounts due from related parties)			
Assessed individually	27,416	4.9%	1,335
Assessed on collective basis (by aging)			
– 0–90 days	24,448	1.2%	297
– 91–180 days	9,415	5.4%	505
– 181–365 days	8,055	8.3%	668
– Over 1 year	23,770	43.8%	10,416
	93,104		13,221
Contract assets (including amounts due from related parties)			
Assessed individually	29,389	17.4%	5,121
Assessed on collective basis	44,908	1.0%	447
	74,297		5,568
	167,401		18,789

The following table shows the movement in lifetime ECL that has been recognised for trade receivables, contract assets and amounts due from related parties of trade nature under the simplified approach.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

38. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

Trade receivables

	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at January 1, 2024	3,189	3,051	6,240
Transfer to credit-impaired	(422)	422	–
Impairment losses recognised	8,335	–	8,335
Impairment losses reversed	(1,354)	–	(1,354)
As at December 31, 2024 and January 1, 2025	9,748	3,473	13,221
Transfer to credit-impaired	(144)	144	–
Impairment losses recognised	8,159	179	8,338
Impairment losses reversed	(4,638)	–	(4,638)
As at December 31, 2025	13,125	3,796	16,921

Contract assets

	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at January 1, 2024	759	3,462	4,221
Impairment losses recognised	2,850	–	2,850
Impairment losses reversed	(1,503)	–	(1,503)
As at December 31, 2024 and January 1, 2025	2,106	3,462	5,568
Transfer to credit-impaired	(459)	459	–
Impairment losses recognised	727	800	1,527
Impairment losses reversed	(441)	–	(441)
As at December 31, 2025	1,933	4,721	6,654

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

38. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

The management believes that there is no significant increase in credit risk of notes receivables, other receivables and deposits, and amounts due from related parties of non-trade nature since initial recognition and the Group provided impairment based on 12m ECL. For the years ended December 31, 2025 and 2024, the Group assessed the ECL for other receivables and amounts due from related parties of non-trade nature are insignificant.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, on which the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(c) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, term deposits and operating cash flows, the directors believe that the Group will have sufficient financial resources to satisfy its future working capital in the next twelve months from the date of the report.

The following table details remaining contractual maturity of the Group's financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities on the earliest date which the Group can be required to pay. The maturity dates are based on the agreed repayment dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

38. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management *(Continued)*

(c) Liquidity risk *(Continued)*

The table includes both interest and principal cash flows.

	Weighted average interest rate	Carrying amount RMB'000	On demand or less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total RMB'000
As at December 31, 2025						
Trade and other payables	–	**49,702**	**49,702**	–	–	**49,702**
Amounts due to related parties	–	**3,891**	**3,891**	–	–	**3,891**
Lease liabilities	**4.03%**	**13,585**	**11,448**	**2,039**	**445**	**13,932**
		67,178	**65,041**	**2,039**	**445**	**67,525**
As at December 31, 2024						
Trade and other payables	–	53,672	53,672	–	–	53,672
Amounts due to related parties	–	2,431	2,431	–	–	2,431
Lease liabilities	5.66%	2,974	1,964	1,294	–	3,258
		59,077	58,067	1,294	–	59,361

Fair value measurement of financial instruments

Determination of fair value and fair value hierarchy

IFRS 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurement for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximise the use of observable inputs and minimise the use of unobservable inputs when measuring fair value. A financial instrument's categorisation within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

38. FINANCIAL INSTRUMENTS *(Continued)*

Fair value measurement of financial instruments *(Continued)*

Determination of fair value and fair value hierarchy *(Continued)*

The following tables provide the fair value measurement hierarchy of the Group's financial assets and liabilities:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at December 31, 2025				
Financial assets at FVTPL	**–**	**90,736**	**152,028**	**242,764**
As at December 31, 2024				
Financial assets at FVTPL	–	277,896	110,839	388,735

The following summaries the fair values of major financial assets and liabilities to determine the valuation techniques and inputs used:

Financial assets	Carrying amount 2025 RMB'000	Carrying amount 2024 RMB'000	Fair value hierarchy	Valuation technique (s)	Significant unobservable key input(s)	Relationship of unobservable inputs to fair value
Wealth management products	**90,736**	277,896	Level 2	Discounted cash flow	N/A	N/A
Investments in associates with preferential rights	**78,041**	68,305	Level 3	Income approach	Expected future cash flow	The more the cash flow, the higher the fair value
				Combination of Probability-weighted Option Price Method	DLOM	The lower the DLOM, the higher the fair value
				Black-Scholes Model	Credit Spread	The higher the rate, the lower the fair value
Investment in convertible loan	**37,665**	35,080	Level 3	Black-Scholes Model	Credit Spread	The higher the rate, the lower the fair value
Arrangement/right to receive additional shares at nominal consideration	**3,733**	7,454	Level 3	Income approach	Expected future cash flow	The more the cash flow, the higher the fair value
Unlisted equity investment	**32,589**	–	Level 3	Net asset value of underlying investments	DLOM	The lower the DLOM, the higher the fair value

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

38. FINANCIAL INSTRUMENTS *(Continued)*

Fair value measurement of financial instruments *(Continued)*

Determination of fair value and fair value hierarchy *(Continued)*

During both years, fair value changes arising from the financial assets classified within Level 2 and 3 as listed in the table above were insignificant. The directors consider that any reasonable changes in the significant unobservable inputs would not result in a significant change in the Group's results. Accordingly, no sensitivity analysis is presented.

The determination of the fair value for share-based payments are set out in note 35.

For assets and liabilities that are measured at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting end. During both years, there were no transfers among different levels of fair values measurement.

	Wealth management products RMB'000	Investments in associates with preferential rights, investments in convertible loan and the arrangement/right to receive additional shares at nominal consideration RMB'000 RMB'000	Shares with Preferential Rights RMB'000
As at January 1, 2024	268,230	32,434	(2,212,629)
Purchase	1,092,102	–	–
Redemption	(1,091,459)	–	–
Investment in FVTPL	–	75,600	–
Changes in fair value	9,023	2,805	(306,641)
Automatic conversion of preferred shares upon global offering	–	–	2,519,270
As at December 31, 2024	277,896	110,839	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

38. FINANCIAL INSTRUMENTS *(Continued)*

Fair value measurement of financial instruments *(Continued)*

Determination of fair value and fair value hierarchy *(Continued)*

	Wealth management products RMB'000	Investments in associates with preferential rights, investments in convertible loan, arrangement/ right to receive additional shares at nominal consideration and unlisted equity investment RMB'000
As at January 1, 2025	**277,896**	**110,839**
Purchase	**515,000**	**30,000**
Redemption	**(708,332)**	**–**
Transfer to investments in associates	**–**	**(3,829)**
Change in fair value	**6,172**	**15,018**
As at December 31, 2025	**90,736**	**152,028**

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

For the financial assets and financial liabilities that are not measured at fair value on a recurring basis, the directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of each reporting periods.

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For the year ended December 31, 2025

39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statements of cash flows as cash flows from financing activities.

	Share with Preferential Rights RMB'000	Prepayments of share issued costs RMB'000	Lease liabilities RMB'000	Total RMB'000
As at January 1, 2024	2,212,629	(7,516)	15,990	2,221,103
Financing cash flows	–	–	(15,431)	(15,431)
Financing non-cash flows	–	7,516	–	7,516
New lease entered and early termination of a lease, net	–	–	2,054	2,054
Finance costs	–	–	361	361
Fair value losses on financial liabilities at FVTPL	306,641	–	–	306,641
Conversion of preferred shares to ordinary shares upon global offering	(2,519,270)	–	–	(2,519,270)
As at December 31, 2024 and January 1, 2025	–	–	2,974	2,974
Financing cash flows	–	–	(8,808)	(8,808)
New lease entered and early termination of a lease, net	–	–	29,312	29,312
Early termination of a lease	–	–	(10,410)	(10,410)
Finance costs	–	–	517	517
As at December 31, 2025	–	–	13,585	13,585

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

40. RELATED PARTY TRANSACTIONS

Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the year.

Name of related parties	Relationship with the Group
Ms. Chen Jie	The Controlling Shareholder and Chairman
Mr. Chen Lin	The brother of the Controlling Shareholder
Baiwang Intelligent# (Note 1)	Associate
Guomai Xin'an Technology Co., Ltd. (北京國脈信安科技有限公司) ("**Guomai Xin'an**")#	Significantly influenced by the Controlling Shareholder
Fosun Holdings Limited and its subsidiaries ("**Fosun**")#	Non-controlling shareholder with significant influence
Boya Zhongke#	Associate
Guangxi United#	Associate
上海星漢信息技術有限公司 ("**Shanghai Xinghan**")#	Associate
Beijing Wisedoing Network Information Technology Co., Ltd. (北京唯致動力網絡信息科技有限公司) ("**Wisedoing**")#	Controlled by Mr. Chen Lin
雲南百望雲數字科技有限公司 ("**Yunnan Baiwangyun**")#	Associate
Wuxi Enterprise Credit#	Associate
河南百望雲數字科技有限公司 ("**Henan Baiwangyun**")#	Joint venture
廣東百望雲科技有限公司 ("**Guangdong Baiwangyun**")#	Joint venture
內蒙古百望雲數字技術服務有限公司 ("**Neimenggu Baiwangyun**")#	Joint venture
無錫企業徵信有限公司 ("**Wuxi Enterprise Credit**")	Associate
Hangzhou Xinfengwei	Investments in associates with preferential rights

The English name of the companies established in the PRC are for reference only and have not been registered.

Note 1: On November 26, 2025, Baiwang Intelligent was liquidated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

40. RELATED PARTY TRANSACTIONS *(Continued)*

Transactions with related parties

The Group have the following transactions and balances with related parties:

Name of related parties	Nature of transactions	Year ended December 31, 2025 RMB'000	2024 RMB'000
Wuxi Enterprise Credit	Provision of services	**52,428**	9,085
Guangxi United	Provision of services	**35,281**	79,923
Guomai Xin'an	Provision of services	**770**	–
Henan Baiwangyun	Provision of services	**487**	709
Baiwang Intelligent	Provision of services	**22**	28
Yunnan Baiwangyun	Provision of services	**457**	82
Others	Provision of services	**3,451**	508
		92,896	90,335
Henan Baiwangyun	Purchases of services and products	**3,377**	3,866
Guomai Xin'an	Purchases of services and products	**2,265**	714
Guangdong Baiwangyun	Purchases of services and products	**1,504**	1,872
Neimenggu Baiwangyun	Purchases of services and products	**1,454**	–
Shanghai Xinghan	Purchases of services and products	**779**	218
Beijing Baiwangyun	Purchases of services and products	**680**	200
Yunnan Baiwangyun	Purchases of services and products	**112**	520
Wuxi Enterprise Credit	Purchases of services and products	**108**	37
Boya Zhongke	Purchases of services and products	**–**	248
Others	Purchases of services and products	**956**	249
		11,235	7,924

In the opinion of the directors, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

40. RELATED PARTY TRANSACTIONS *(Continued)*

Balance with related parties

At the end of each reporting period, the Group have the following significant balances with related parties:

Amounts due from related parties

Nature of balances with related parties	Year ended December 31, 2025 RMB'000	Year ended December 31, 2024 RMB'000
Trade receivables	**20,773**	16,922
Prepayments	**1,572**	7
Contract assets	**8,188**	6,116
	30,533	23,045

Name of related parties	Nature of transactions (Note (a))	As at December 31, 2025 RMB'000	As at December 31, 2024 RMB'000
Wuxi Enterprise Credit	Trade	**15,945**	5,221
Guangxi United	Trade	**12,003**	17,793
Hangzhou Xinfengwei	Trade	**1,572**	–
Others	Trade	**1,013**	31
Total		**30,533**	23,045

The maximum amount outstanding during the years ended December 31, 2024 and 2025 in respect of the amounts due from a director and companies controlled by a director are RMB3,000.

Amounts due to related parties

Nature of balances with related parties	Year ended December 31, 2025 RMB'000	Year ended December 31, 2024 RMB'000
Trade payables	**3,891**	1,831
Other payables	**–**	600
Contract liabilities	**12,896**	26,788
	16,787	29,219

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

40. RELATED PARTY TRANSACTIONS *(Continued)*

Balance with related parties *(Continued)*

Amounts due to related parties *(Continued)*

Name of related parties	Nature of transactions (Note (a))	Year ended December 31, 2024 RMB'000	2023 RMB'000
Guangxi United	Trade	**9,548**	24,851
Wuxi Enterprise Credit	Trade	**2,122**	911
Neimenggu Baiwanyun	Trade	**843**	–
Guangdong Baiwanyun	Trade	**895**	715
Guomai Xin'an	Trade	**799**	30
Henan Baiwanyun	Trade	**571**	943
Yunnan Baiwangyun	Trade	**322**	469
Boya Zhongke	Trade	**281**	281
Others	Trade	**1,406**	419
Subtotal		**16,787**	28,619
Others (note (b))	Non-trade	**–**	600
Total		**16,787**	29,219

Notes:

(a) Balances of trade nature are unsecured, interest-free and aged within one year.

(b) Balances of non-trade nature are unsecured, interest-free and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

40. RELATED PARTY TRANSACTIONS *(Continued)*

Balance with related parties *(Continued)*

Key management personnel compensation

The remuneration of directors and other members of key management personnel during the year was as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Salaries and bonuses	**9,231**	7,133
Share-based payments	**1,430**	5,080
Welfare, medical and other benefits	**1,130**	1,072
Total	**11,791**	13,285

The remuneration of key management personnel is determined by reference to the performance of individuals and market trends.

41. RETIREMENT BENEFIT PLANS

The employees of the Group in PRC are members of a state-managed retirement benefit plan operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authorities to the retirement benefit plan to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions under the plan. The retirement benefits cost has been included in employee benefit expenses as set out in note 11 for the year ended December 31, 2025 amounted to RMB37,731,000 (2024: RMB44,035,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES

During the year and at the date of these financial statements, the Company has direct and indirect interests in the following principal subsidiaries:

Name of subsidiaries/ consolidated affiliated entities	Place of incorporation/ registration/ operations	Paid up capital RMB'000	Proportion of ownership interest attributable to the Company As at December 31, 2025 %	2024 %	Principal activities
Beijing Baiwang Jinkong Technology Co., Ltd. (北京百望金控科技有限公司) ("**Baiwang Jinkong**")	PRC	90,000	**100**	100	Investment holding and technology services
Beijing Baiwang Enterprise Service Technology Co., Ltd. (北京百望企服科技有限公司)	PRC	3,000	**100**	100	Software maintenance
Beijing Baiwang Huiyan Data Technology Co., Ltd. 無錫百商眾望數據科技有限公司 (formerly known as: 北京百望慧眼數據科技有限公司)	PRC	50,000	**100**	100	Supply chain finance and financial technology cloud
Baiwangyun Technology (Beijing) Co., Ltd. (百望雲科技(北京)有限公司)	PRC	400	**100**	100	Investment holding and technology services
Chongqing Zhishui Yun Technology Co., Ltd. (重慶智稅雲科技有限公司)	PRC	–	**100**	100	Software services
Baiwang Maoyi (Suzhou) Software Co., Ltd. (百望貿宜(蘇州)軟件有限公司) ("**Baiwang Maoyi**")	PRC	–	**85**	85	Software services
Anhui Zhishuiyun Information Technology Co., Ltd. (安徽智稅雲科技有限公司)	PRC	–	**100**	100	Software services
Hangzhou Baiwangyun Technology Co., Ltd. (杭州百望雲科技有限公司)	PRC	–	**100**	100	Software services
Henan Baiwang Enterprise Service Digital Technology Co., Ltd. (河南百望企服數字科技有限公司)	PRC	3,000	**100**	100	Software services
Hong Kong Baiwang Smart Technology Co., Limited (香港百望數智科技有限公司)#	Hong Kong	9,118	**100**	–	Data intelligent agent services and sale of related equipment

The entity was incorporated during the year ended December 31, 2025.

Notes:

(1) The English translation of the names is for reference only. The official names of these companies are in Chinese.

(2) These entities are private limited companies and have no debt securities issued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Non-current assets		
Property, plant and equipment	**6,462**	8,381
Right-of-use assets	**11,851**	2,131
Intangible assets	**17,067**	9,522
Investments in associates	**70,183**	71,718
Investment in subsidiaries	**152,157**	143,017
Financial assets at FVTPL	**59,226**	54,749
Contract costs	**21,776**	31,690
Contract assets	**186**	673
	338,908	321,881
Current assets		
Inventories	**2,308**	2,391
Contract costs	**35,022**	44,971
Contract assets	**28,977**	47,994
Trade and other receivables, deposits and prepayments	**207,132**	74,251
Amounts due from related parties	**346,268**	243,919
Financial assets at FVTPL	**90,736**	277,896
Restricted bank deposits	**3,439**	3,102
Cash and cash equivalents	**337,309**	401,606
	1,051,191	1,096,130
Current liabilities		
Lease liabilities	**10,996**	542
Trade and other payables	**66,291**	101,144
Contract liabilities	**83,104**	113,076
Amounts due to related parties	**110,032**	104,340
	270,423	319,102
Net current assets	**780,768**	777,028
Total assets less current liabilities	**1,119,676**	1,098,909

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(Continued)

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Capital and reserves		
Share capital	**225,907**	225,907
Reserves	**891,963**	871,911
Total equity	**1,117,870**	1,097,818
Non-current liabilities		
Lease liabilities	**1,806**	1,091
Total equity and non-current Liabilities	**1,119,676**	1,098,909

The Company's statement of financial position were approved and authorised for issue by the board of directors on March 24, 2026 and were signed on its behalf by:

Ms. Chen Jie
DIRECTOR

Ms. Jin Xin
DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(Continued)

Movement in the Company's reserves

	Share premium RMB'000	Capital reserves RMB'000	Share-based payments reserves RMB'000	Accumulated losses RMB'000	Total (deficits) Equity RMB'000
As at January 1, 2024	–	570,170	130,219	(2,134,788)	(1,434,399)
Loss and total comprehensive expense for the year	–	–	–	(445,752)	(445,752)
Recognition of share-based payment expenses	–	–	53,979	–	53,979
Issuance of new shares upon global offering	295,175	–	–	–	295,175
Transaction costs attributable to issue of new shares	(39,717)	–	–	–	(39,717)
Automatic conversion of preferred shares into ordinary shares upon global offering (notes 33 and 38)	2,442,625	–	–	–	2,442,625
As at December 31, 2024	2,698,083	570,170	184,198	(2,580,540)	871,911
Profit and total comprehensive income for the year	–	–	–	13,479	13,479
Recognition of share-based payment expenses	–	–	6,573	–	6,573
As at December 31, 2025	2,698,083	570,170	190,771	(2,567,061)	891,963

Capital reserves

The balance mainly represents the difference between the fair values of the equity instruments of the Company contributed by the shareholders to the employees and a consultant and the consideration paid by the employees and a service provider.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

44. EVENT AFTER THE REPORTING PERIOD

On February 6, 2026, the Group exercised the investment in convertible loan with Huanqiu Zhilian (Wuxi) Digital Technology Company Limited (環球智鏈(無錫)數字科技有限公司) ("**Huanqiu Zhilian**") and Baiwangyun Overseas and converted the investment in convertible loan with principal amount of RMB35,000,000 to the shares of Baiwangyun Overseas. As stated in the announcement, The Group shall have the right to issue a repurchase notice to Baiwangyun Overseas, requiring Baiwanyun Overseas to repurchase or have Huanqiu Zhilian and/or its designated third party to purchase all equity held by the Group in Baiwangyun Overseas if Baiwangyun Overseas Group has completed a "Qualified IPO" (the "**Repurchase Option**")' and obtained a warrant entitling the Group to reduce its equity interest in Baiwangyun Overseas corresponding to RMB15,000,000 of the total capital increase amount, and invest such funds into Global Digital RegTECH Cloud Co., Ltd..

Details are set out in announcements of the Company dated November 17, 2024, December 3, 2025, December 31, 2025 and February 6, 2026.

DEFINITION

"AGM"	the forthcoming annual general meeting of the Company to be held on Friday, June 26, 2026
"Alibaba"	Alibaba (China) Technology Co., Ltd. (阿里巴巴(中國)網絡科技有限公司), a Substantial Shareholder
"Articles of Association" or "Articles"	the articles of association of the Company, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Baiwangyun Overseas"	Baiwangyun Overseas (Wuxi) Technology Company Limited (百望雲海外(無錫)科技有限公司), a limited liability company incorporated in the PRC on October 18, 2024
"Board Committees"	collectively, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee
"Board of Directors" or "Board"	the Board of Directors of the Company
"Business Day" or "business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business to the public
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China," "Mainland China" or "PRC"	People's Republic of China, excluding, for the purposes of this annual report and for geographical reference only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, except where the context requires otherwise
"Company," "our Company," "Group," "our Group," "we" or "us"	Baiwang Co., Ltd. (百望股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability on May 4, 2015 and except where the context indicated otherwise, the Company's subsidiaries
"Controlling Shareholders"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Ms. Chen, Ningbo Xiu'an and Tianjin Duoying
"Director(s)"	Directors of the Company

DEFINITION

"Global Offering"	the Company's initial public offering on the Main Board completed on July 9, 2024
"H Shares"	overseas-listed foreign shares in the share capital of the Company with nominal value of RMB1.00 each, subscribed for and traded in HK dollars and listed on the Main Board
"H Shareholders"	holder(s) of H Shares
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HKFRS"	Hong Kong Financial Reporting Standards
"Huanqiu Zhilian"	Huanqiu Zhilian (Wuxi) Digital Technology Company Limited (環球智鏈(無錫)數字科技有限公司), a company incorporated in the PRC with limited liability on September 9, 2024
"IFRSs"	International Financial Reporting Standards
"IPO"	initial public offering
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	July 9, 2024, on which the H Shares were listed and on which dealings in the H Shares were first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Ms. Chen"	Ms. Chen Jie (陳杰), our founder, Controlling Shareholder, executive Director, chief executive officer and chairlady of our Board

DEFINITION

"Ningbo Xiu'an"	Ningbo Xiu'an Enterprise Management Partnership (Limited Partnership) (寧波修安企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on August 2, 2017 and controlled by Ms. Chen (as the general partner who controls and manages Ningbo Xiu'an). Ningbo Xiu'an is a share incentive platform and one of our Controlling Shareholders.
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus of the Company dated June 28, 2024
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"RMB"	the lawful currency of the PRC
"Reporting Period"	the year ended December 31, 2025
"SaaS"	software as a service, which is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shares"	ordinary Shares in the share capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of our Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Substantial Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor"	Supervisors of the Company
"Taobao"	Taobao China and Zhejiang Taobao
"Taobao China"	Taobao (China) Software Co., Ltd. (淘寶(中國)軟件有限公司), an associate of Alibaba (China) Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司), a Substantial Shareholder

DEFINITION

"Tianjin Duoying"	Tianjin Duoying Technology Center (Limited Partnership) (天津多盈科技中心(有限合夥)), a limited partnership established under the laws of the PRC on July 27, 2017 and controlled by Ms. Chen (as the general partner who controls and manages Tianjin Duoying). Tianjin Duoying is a share incentive platform and one of our Controlling Shareholder.
"USD" or "US$"	US dollars, the lawful currency of the United States
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Watertek"	Beijing Watertek Information Technology Co., Ltd. (北京旋極信息技術股份有限公司), a Shareholder and pre-IPO investor. Where the context requires, "Watertek Group" refers to Watertek and any one or several or all of its subsidiaries
"Zhejiang Taobao"	Zhejiang Taobao Network Co., Ltd. (浙江淘寶網絡有限公司), an associate of Alibaba (China) Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司), a Substantial Shareholder