BAIWANG CO., LTD.
百望股份有限公司

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

(Stock code: 6657)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The Board would like to announce the unaudited consolidated interim results of the Group for the six months ended June 30, 2026 (the "**Reporting Period**"), together with the comparative figures for the six months ended June 30, 2025, which have been reviewed by the Audit Committee. The interim results for the six months ended June 30, 2026 have been reviewed by Rongcheng (Hong Kong) CPA Limited, the independent auditor of the Company in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity".

In this announcement, "we," "us," "our" and "Baiwang" refer to the Company and where the context otherwise requires, the Group.

RESULTS SUMMARY

- Our revenue decreased by 14.4% from RMB347.6 million for the six months ended June 30, 2025 to RMB297.5 million for the six months ended June 30, 2026.

- Our gross profit decreased by 20.4% from RMB162.0 million for the six months ended June 30, 2025 to RMB128.9 million for the six months ended June 30, 2026.

- Our gross profit margin decreased from 46.6% for the six months ended June 30, 2025 to 43.3% for the six months ended June 30, 2026.

- We recorded a net loss of RMB43.8 million for the six months ended June 30, 2026, as compared to a net profit of RMB3.6 million for the six months ended June 30, 2025.

- We recorded an adjusted net loss (non-IFRS measure) of RMB39.7 million for the six months ended June 30, 2026, as compared to an adjusted net profit of RMB4.6 million for the six months ended June 30, 2025.

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

	NOTE	**Six months ended June 30**	
		2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**297,543**	347,588
Cost of sales	*5*	**(168,670)**	(185,601)
Gross profit		**128,873**	161,987
Other income		**764**	910
Impairment losses under expected credit loss model, net of reversal		**(6,546)**	(2,983)
Other gains and losses		**(7,723)**	99
Research and development expenses	*5*	**(80,827)**	(68,255)
Administrative expenses	*5*	**(50,494)**	(44,758)
Distribution and selling expenses	*5*	**(46,089)**	(49,259)
Operating loss		**(62,042)**	(2,259)
Finance income		**1,972**	1,590
Finance costs		**(175)**	(274)
Fair value changes of financial assets at fair value through profit or loss (the "**FVTPL**")		**17,405**	5,396
Share of results of associates and joint ventures		**(980)**	(783)
(Loss)/profit before tax		**(43,820)**	3,670
Income tax expenses	*6*	**–**	(23)
(Loss)/profit for the period		**(43,820)**	3,647

	NOTE	Six months ended June 30	
		2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Other comprehensive expense for the period			
Item that may be reclassified to profit or loss			
Exchange differences arising on translating of foreign operations		**(207)**	(47)
Total comprehensive (expense)/income for the period		**(44,027)**	3,600
(Loss)/profit attributable to:			
Owners of the Company		**(43,575)**	3,717
Non-controlling interests		**(245)**	(70)
		(43,820)	3,647
Total comprehensive (expense)/income attributable to:			
Owners of the Company		**(43,782)**	3,670
Non-controlling Interests		**(245)**	(70)
		(44,027)	3,600
(Loss)/earnings per share attributable to owners of the Company during the period:			
– Basic and diluted *(RMB)*	*8*	**(0.19)**	0.02

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

	NOTE	**As at June 30, 2026** *RMB'000* **(Unaudited)**	As at December 31, 2025 *RMB'000*
Non-current assets			
Property, plant and equipment		**7,833**	6,465
Right-of-use assets		**7,216**	12,679
Intangible assets		**24,542**	17,068
Investments in associates		**141,181**	120,055
Investments in joint ventures		**1,211**	1,378
Financial assets at FVTPL		**146,473**	152,028
Contract costs		**21,779**	21,776
Contract assets		**194**	186
Amounts due from related parties		**2,428**	–
		352,857	331,635
Current assets			
Inventories		**2,609**	2,308
Contract costs		**35,407**	35,022
Contract assets		**31,292**	29,364
Trade and other receivables, deposits and Prepayments	*9*	**225,467**	228,858
Amounts due from related parties		**36,929**	30,533
Financial assets at FVTPL		**91,691**	90,736
Restricted bank deposits		**2,877**	3,439
Cash and cash equivalents		**297,678**	385,683
		723,950	805,943

	NOTE	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Current liabilities			
Lease liabilities		**7,400**	11,779
Trade and other payables	*10*	**68,510**	86,888
Contract liabilities		**92,608**	88,980
Amounts due to related parties		**16,066**	16,787
		184,584	204,434
Net current assets		**539,366**	601,509
Total assets less current liabilities		**892,223**	933,144
Capital and reserves			
Share capital		**225,907**	225,907
Reserves		**671,694**	711,357
Equity attributable to owners of the Company		**897,601**	937,264
Non-controlling interests		**(6,171)**	(5,926)
Total equity		**891,430**	931,338
Non-current liabilities			
Lease liabilities		**793**	1,806
Total equity and non-current liabilities		**892,223**	933,144

Notes:

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Baiwang Co., Ltd. (the "**Company**") was incorporated in Beijing, People's Republic of China (the "**PRC**") on May 4, 2015 as a joint stock company with limited liability under the Company Law (PRC, 2013 Revision). 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, the "**Group**") are primarily engaged in FinTech business, RegTech business, and CreditTech business in China, as well as in meeting the needs of other enterprises. 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 interim condensed consolidated financial statements are presented in the currency of Renminbi ("**RMB**"), which is also the functional currency of the Group.

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional/change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the interim condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2025.

3. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvement to IFRS Accounting Standards 2022–2024 (Volume 11)

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods.

4. REVENUE

Revenue is substantially derived from the PRC and comprises the following:

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
FinTech	**68,660**	67,709
RegTech	**205,080**	242,773
CreditTech	**6,521**	–
Others	**17,282**	37,106
	297,543	347,588

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
– Over time	**151,990**	184,007
– At a point in time	**145,553**	163,581
	297,543	347,588

5. EXPENSES BY NATURES

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses *(Note)*	**155,538**	194,058
Share-based payment expenses	**4,119**	950
Commission and channel expenses	**1,944**	2,516
Professional service fees	**47,913**	37,583
Referral fees	**10,012**	22,073
Outsourcing expenses	**11,976**	16,705
Traveling and marketing expenses	**4,826**	7,081
Exhibition and promotion charges	**1,827**	365
Costs of inventories sold	**91,912**	50,142
Rental and utilities expenses	**2,482**	2,302
Depreciation of property, plant and equipment	**1,301**	1,549
Depreciation of right-of-use assets	**4,990**	5,721
Amortisation of intangible assets	**1,561**	754
Others	**5,679**	6,074
Total	**346,080**	347,873

Note: Employee benefit expenses capitalized in intangible assets for the six months ended June 30, 2026 and 2025 amounted to RMB9,035,000 and RMB4,274,000, respectively.

6. INCOME TAX EXPENSES

The income tax expenses of the Group is analysed as follows:

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax		
Current tax	**–**	23

7. DIVIDEND

No dividends were declared or paid by the Company for the six months ended June 30, 2026 and for the year ended December 31, 2025.

8. (LOSS)/EARNINGS PER SHARE

The following table sets forth the computation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company during the six months ended June 30, 2026 and 2025:

	Six months ended June 30	
	2026	2025
	(Unaudited)	(Unaudited)
(Loss)/earnings attributable to owners of the Company *(RMB'000)*	**(43,575)**	3,717
Weighted average number of ordinary shares outstanding *('000)*	**225,907**	225,907

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	
Trade receivables – contracts with customers	**155,411**	196,632
Less: allowance for credit losses	**(22,171)**	(15,465)
	133,240	181,167
Notes receivables	**1,565**	421
Prepayments		
– to suppliers	**59,351**	9,715
– to others	**3,701**	2,334
Value-added tax recoverable	**1,070**	8,022
Deposits refundable within one year	**3,009**	3,603
Other receivables		
– bid security	**1,533**	1,788
– advances to suppliers	**1,475**	1,117
– a loan to an independent third party	**18,000**	20,000
– others	**2,748**	960
Less: allowance for credit losses	**(225)**	(269)
	92,227	47,691
Total	**225,467**	228,858

The following is an aging analysis of the Group's trade receivables presented based on the date of revenue recognition:

	As at June 30, 2026 *RMB'000* **(Unaudited)**	As at December 31, 2025 *RMB'000*
Within 30 days	**24,335**	88,132
31 to 180 days	**40,752**	39,516
181 to 365 days	**36,301**	31,495
Over 1 year	**54,023**	37,489
	155,411	196,632

10. TRADE AND OTHER PAYABLES

	As at June 30, 2026 *RMB'000* **(Unaudited)**	As at December 31, 2025 *RMB'000*
Trade payables	**28,818**	36,751
Other payables		
Accrued staff costs	**24,933**	23,937
Other tax payables	**3,523**	13,249
Others	**11,236**	12,951
	39,692	50,137
Total	**68,510**	86,888

The following is an aging analysis of the Group's trade payables presented based on the date of purchase recognised:

	As at June 30, 2026 *RMB'000* **(Unaudited)**	As at December 31, 2025 *RMB'000*
Within 3 months	**17,091**	26,059
3 to 6 months	**5,570**	3,728
6 to 12 months	**350**	1,151
1 to 2 years	**891**	191
Over 2 years	**4,916**	5,622
Total	**28,818**	36,751

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview and Outlook

I. Management Overview

During the Reporting Period, the Group was in a phase of concurrently advancing the restructuring of its traditional business, investments in AI capabilities, and validation of new business initiatives. The Group proactively optimised its business structure, concentrating its R&D and operational resources on vertical fiscal and tax models, agents, data engineering, enterprise-level delivery, and global fiscal and tax compliance services. The Fintech business remained stable, while the CreditTech business began to generate revenue. At the same time, the Group increased its R&D investments and continued to improve its channel structure and personnel efficiency. Management places great emphasis on the long-term structural value of this transformation, closely tracking core metrics such as client implementation results, task delivery quality, paid conversion efficiency, asset reusability, project gross profit, and operating cash flow optimisation. Through continuous improvements in multi-dimensional operational quality and efficiency, the Group is comprehensively validating the tangible value and growth potential of its AI transformation.

Management believes that competition in vertical fiscal and tax AI is not merely a competition of foundational model capabilities, but rather a comprehensive competition encompassing client scenarios, professional data, fiscal and tax rules, model engineering, enterprise-level delivery, and commercialisation capabilities. The Group is not entering this market from scratch; rather, on the foundation of its existing invoice and tax service access points, corporate client networks, authorised transaction and fiscal and tax data, professional rules, and delivery systems, it is upgrading its legacy digital services into digital productivity that is callable, executable, auditable, and measurable. In the next phase, the Group will focus on monitoring active client counts, effective call frequency, task success rates, paid conversion rates, and renewal and upsell rates, rather than using registration numbers or model call volumes as the sole assessment criteria.

As of the end of the Reporting Period, the Group's corporate client coverage reached approximately 33.45 million enterprises; the number of registered corporate users of its agent products was approximately 1.11 million, with over 700,000 enterprises having completed authorisation; during the Reporting Period, requests for viewing corporate business reports reached 16,824,848 times. These data points reflect that the Group's AI products have already established a corresponding business scenario foundation. Leveraging its accumulated client resources, user authorisations, and business call foundations, the Group will focus on driving progress in task success rates, paid calls, renewal and upsell rates, and token revenue conversion.

II. Industry Environment and Management's Assessment: From Capability Demonstration to Commercial Validation

In the first half of 2026, enterprise artificial intelligence accelerated its transition from capability demonstration to production deployment and commercial validation. The management of the Company considers that the next six to twelve months may represent an important window for vertical agents to progress from pilot projects to large-scale adoption. The focus of competition in the industry is shifting from model parameters to whether agents can reliably perform tasks in actual enterprise production environments and secure recurring customer payments by delivering verifiable improvements in efficiency, reductions in costs or mitigation of risks.

The financial and tax scenarios are characterised by high-frequency use cases, strong demand, stringent rules and data sensitivity, making them well suited for the development of vertical agents that can be evaluated, audited and measured. Whether an enterprise can codify the complexities encountered at customer sites into ontologies, rules, evaluation sets and standardised products, and replicate such solutions across a larger customer base with lower delivery manpower requirements, will determine whether it can transition from project-based revenue to revenue generated from scalable usage and outcomes.

Based on the above assessment, the Group has incorporated its comprehensive AI transformation into its corporate-level governance framework and is undertaking systematic restructuring across strategy, products, research and development, data, delivery, sales, talent and capital allocation. Leveraging its entry points in the invoice and tax business, real transaction data, professional financial and tax rules and accumulated industry knowledge, the Group is building professional productivity capabilities that can be understood, invoked, audited, executed and measured by AI models. In assessing the effectiveness of its transformation, the Group uses customer payment conversion rates, renewal rates, project gross profit margins and operating cash flows as its key performance measures.

III. Strategic Positioning of the Company: Large AI Models for Corporate Business Decision-making and a Financial and Tax Token Factory

The Group's Strategy 3.0 takes financial and tax compliance as the starting point of its business, uses transaction data as an ongoing business context, leverages commercial credit and financial scenarios to expand the value of decision-making, and restructures its product and delivery models through agents, while leveraging TaxSwift to connect with global financial and tax rules. The Group is evolving from a provider of electronic invoice infrastructure and financial and tax data services into a platform for trusted enterprise transactions, commercial credit and AI-native corporate business decision-making services.

The product system has formed a four-layer business closed-loop of "Fact Layer – Credit Layer – AI Execution Layer – Commercial Layer". The Fact Layer integrates enterprise entity information, orders, contracts, invoices, funds and contractual performance relationships to form a trusted foundation of business operations. The Credit Layer generates scores, risk tags and dynamic operational signals based on business operation. By harnessing agents, MCP (Model Context Protocol, used to connect models with enterprise data, systems and tools) and workflow mechanisms, the AI Execution Layer converts analytical outcomes into executable business tasks. The Commercial Layer realises commercial monetisation through subscription services, APIs (Application Programming Interfaces), model invocations and token-based metering model.

For large-scale enterprises, the Group provides integrated solutions for transaction, financial and tax processes, embedding AI capabilities across the full business chain including sales invoice issuance, purchase invoice collection, voucher processing, reconciliation, supplier collaboration and electronic archive management. For internet platforms and small and medium-sized enterprises, digital employee services are provided through Baibao and Shuixiaozhi, covering business scenarios such as invoicing, bookkeeping, tax filing and business analysis. For financial institutions, the Group develops a comprehensive product closed-loop encompassing "compliant data acquisition – customer screening – intelligent risk control – industry chain analysis – post-loan monitoring".

IV. Business, Product and Technology Progress: New Businesses Undergoing Validation, and Continuous Advancement of Product and Commercialisation Validation

During the Reporting Period, the Group proactively adjusted its business structure, scaling down operations with lower gross profit and limited synergy with its AI strategy, and concentrated its resources on AI products, data and credit capability development, high-value customer engagement, and overseas compliance businesses. The FinTech business remained resilient, the CreditTech business began to generate revenue, and the RegTech business remained the primary revenue source of the Group while undergoing product iterations and delivery-model adjustments. Detailed financial performance of each business segment will be further analysed in the "Financial Review" section of this announcement.

Based on the above resource allocation, the Group has implemented differentiated business solutions for different customer segments. In the large enterprise market, leveraging its existing large enterprise client base and mature "Iron Triangle" service system, the Group is advancing the development of FDE (Forward Deployed Engineer, responsible for on-site needs identification, solution validation and delivery at client premises) capabilities. The FDE teams go deep into clients' business sites to identify high-value business scenarios, rapidly implement executable solutions, and feed business ontologies, rules, connectors, evaluation sets and industry templates back to the Group's unified platform. Each project delivery is required to generate operational business scenarios and at least one reusable asset, ensuring that projects do not devolve into low-reusability on-site outsourcing models. For micro, small and medium-sized enterprises, the Group implements a service model of "digital human coordination + specialized agent collaboration + financial and tax expert backstop," leveraging products such as Shuixiaozhi to handle high-frequency, standardized tax and finance work. The Group has built a complete service closed loop encompassing automated data collection, intelligent bookkeeping, tax filing and record retention, and has leveraged ecosystem partnership channels to achieve client outreach and conversion at a relatively low marginal cost. For financial institutions, the Group leverages its multi-dimensional dynamic commercial credit evaluation system to provide risk assessment and intelligent risk control services.

CreditTech is a key new business area for the Group and has begun to generate revenue during the Reporting Period. The Group has established a BCC (Business, Consumer and Commodity) commercial credit evaluation system centered on enterprises, individuals, commodities and their transactional relationships, with a focus on business activity, transaction stability, performance track record and industry chain positioning. Subject to obtaining proper authorisation, the Group accesses continuously updated transactional, financial and tax signals, with a view to gradually embedding its evaluation capabilities into business processes such as procurement access, customer screening, supplier management and financial risk control, thereby evolving its offerings from report-based inquiries to ongoing monitoring and intelligent decision-making. During the Reporting Period, the Group added 17 new data ecosystem partners, expanding beyond enterprise-based data such as tax and invoice data to include multi-source data such as social security, housing provident fund, industry and commerce and look-through regulatory data, and participated in a national-level high-quality dataset flagship project.

Against the backdrop of the State Taxation Administration continuously advancing the application of digitalised electronic invoice and the "invoicing upon transaction" mechanism, industries such as transportation and agricultural product procurement are emerging as key implementation scenarios for natural person business entities to issue invoices in compliance with regulations. These industries take natural persons including freight drivers and farmers with genuine transaction demands at relatively high frequencies as their main suppliers. However, the links of transaction, settlement, invoicing and tax declaration have long been relatively fragmented, which may expose downstream logistics enterprises and procurement enterprises to issues such as inconvenience in obtaining input vouchers, difficulties in matching business documents with vouchers, and rising compliance management costs. As the industry operation order and tax collection and administration methods continue to be adjusted, the market demand for standardized, convenient and traceable integrated solutions is on the rise. The management believes that this scenario is a representative application for the Group to implement its capabilities of "invoicing upon transaction, tax payment upon transaction" targeting specific industries and a large number of natural person business entities.

Leveraging the customer, scenario and data foundation accumulated in the transportation and other industries, the Group plans to cooperate with licensed payment institutions and other ecosystem partners. On the premise of legally obtaining authorizations and complying with the requirements of tax collection and administration, payment and settlement, and data compliance, the Group will connect the links including transaction confirmation, fund settlement, invoice issuance, compliant voucher acquisition and filing assistance. The AI fiscal and taxation expert team of Baiwang will undertake standardized tasks via digital employees, enabling natural person business entities and platform enterprises to complete processes such as "invoicing via dialogue, obtaining invoices via dialogue, and declaring taxes via dialogue" through natural language interaction, while retaining necessary rule verification, manual confirmation and full-process audit records. The Group and its ecosystem partners are carrying out relevant scenario pilots, and exploring the establishment of Token operation centers by industry, which uniformly manage the access of agent tasks, scheduling of models and tools, quality monitoring, usage metering and service settlement, so as to precipitate experience into standard components and solutions that can be reused across customers, regions and industries. Calculated based on the market entity structure and industry participation scale, the management estimates that this innovative model can cover more than 30 million potential natural person business entities, with broad market implementation space.

In terms of global expansion, during the Reporting Period, the Company advanced the rollout of TaxSwift, an overseas tax compliance and e-invoicing service platform, with its service coverage extending to over 50 countries and regions, including Singapore, Indonesia, Malaysia and the Middle East. The Company is reshaping its product offering through a global tax compliance vertical model, delivering compliance certificate generation, tax filing working paper preparation and tax risk identification services to cross-border enterprises. The period from 2026 to 2028 represents a critical window, during which e-invoicing mandates are being accelerated across multiple countries and regions. The Company will optimise the prioritisation of its national rule packages accordingly and establish service networks through local partners.

The aforementioned business segments are collectively supported by three product lines: Baibao, Shuixiaozhi and Baiwang Sinan. Baibao serves as a unified gateway for corporate tax and finance Q&A, task planning and tool orchestration; Shuixiaozhi is focused on policy interpretation, risk identification and filing assistance scenarios; and Baiwang Sinan delivers business analysis and decision support capabilities to corporate management. These three product lines share a common transaction tax and finance ontology, knowledge base, evaluation framework and tooling platform, enabling the evolution of products from basic policy Q&A to digital employees capable of performing numerous tasks such as intelligent invoicing, document processing, bookkeeping, filing assistance, risk alert and business analysis. The Group is currently accelerating product iteration and upgrades.

To ensure the stable and reliable deployment of its AI businesses, the Group has established a comprehensive technology and delivery assurance framework. At the trusted execution level, the Group has built a task execution mechanism featuring "controlled governance, risk management and full traceability", with automated execution boundaries defined by task risk tiers: low-risk tasks may be executed autonomously within authorised scopes; medium-risk tasks are subject to confidence thresholds, rule verification and key-node confirmation procedures; and high-risk tasks, including payments, tax filing and credit decisions, are subject to manual approvals, dual validation, anomaly circuit-breakers and rollback procedures. All business tasks are fully documented with data sources, rule versions, model invocation logs, tool operation trails and responsible entity information.

In terms of on-premises deployment, the Group is advancing enterprise-grade AI all-in-one systems and private cloud solutions, integrating model inference, knowledge bases, tool invocation, access governance and operational monitoring into standardised delivery products to meet the business requirements of large enterprises regarding data not leaving the domain, model controllability and audit trail retention. As at the date of this announcement, the Group has completed the cleansing, structuring and tagging and database integration of financial and tax data within its private domain, establishing a system for policy tags, applicability, timeliness and industry mapping; simultaneously, it has completed the review and structured consolidation of core financial and tax business rules, gradually forming reusable rule assets such as industry thresholds, financial and tax indicators, accounting practices, tax filing, invoice management, risk assessment and compliance checks. The Group has commenced scenario co-creation with several target clients. At this stage, the focus is on confirming real-world business tasks, verifying data feasibility, clarifying access permissions, formulating acceptance criteria and validating commercial value.

In R&D, the Group takes real-world task evaluation sets as the core orientation. For tasks that can be solved through general-purpose models and tool invocation, it prioritizes cost-effective solutions; it only conducts model training on an as-needed basis in scenarios that require deep specialized reasoning or on-premises deployment. The Group will uphold an open model ecosystem strategy and continue to deepen cooperation with leading domestic foundational model providers and cloud computing platforms.

V. Organisational Management and Performance Metrics: Managing AI Investment Through Verifiable Results

The Company has positioned AI transformation within its corporate-level governance framework, with management directly promoting unified product architecture, evaluation standards, data governance and commercialisation responsibilities, and uses customer adoption, task success, paid conversion and asset reuse to verify the effectiveness of the transformation.

The Company is advancing organizational structure optimization around Strategy 3.0. On the one hand, it is consolidating positions with relatively low strategic synergy; on the other hand, it is introducing talent in AI products, model algorithms, data engineering, FDE delivery and global compliance. In terms of resource allocation, the Company is shifting from decentralized innovation towards a small number of strategic initiatives, with resources concentrated on high-frequency finance and tax tasks that can achieve scalable utilization, commercial credit decision-making, financial agents and global e-invoicing compliance. For projects that are unable to establish a closed-loop paid business model, the Company will strictly implement stage-gate evaluations and terminate such projects in a timely manner.

In terms of operating metrics, the Company manages its AI investments through three levels of indicators, namely adoption, execution and economic outcomes. At the adoption level, the Company focuses on the number of activated customers and frequency of utilization; at the execution level, it focuses on task success rate, evaluation pass rate and unit task cost; and at the economic level, it focuses on paid conversion rate, renewal rate, reuse rate of standardized components and project gross profit. Management regards "successfully executed agent tasks that result in customer payment" as the core validation metric. A token is the basic unit of measurement for the processing of text, data and instructions by a model. The Group's "Financial and Tax Token Factory" does not simply sell computing power or the volume of calls to foundational models. Instead, it transforms finance and tax knowledge, business rules, authorized data, model capabilities and task workflows into a professional service system that is producible, evaluable, deliverable and quantifiable. Token consumption itself does not equate to revenue. Only when a call corresponds to a genuine task, meets the required quality threshold and results in customer payment does it constitute sustainable commercialization.

The above organizational adjustments and establishment of the measurement framework are intended to ensure that the Group's resource allocation throughout its AI transformation remains focused on verifiable commercial returns, thereby avoiding blind expansion detached from business value. Management will continue to use paid conversion, customer retention and asset reuse efficiency as the core benchmarks for measuring the effectiveness of the transformation, and will drive the dynamic alignment of organizational capabilities with strategic objectives.

VI. *Future Outlook: Transforming Professional Capabilities into Sustainable and On-Demand Digital Productivity*

Looking ahead to the second half of the year and beyond, the Group will advance its Strategy 3.0 through three progressive stages, namely product validation, scalable replication, and platform-based operations. The Group will leverage its product matrix comprising Baibao, Shuixiaozhi, Baiwang Sinan and the AI Tax Expert Suite to upgrade existing client services towards AI subscriptions, task invocation, and results-based services; will leverage its dynamic commercial credit capabilities to roll out diversified business formats including credit reports, API services, intelligent monitoring, and credit agents; will leverage financial agents and industry templates to expand the scaled application across scenarios such as client due diligence, precision marketing, intelligent risk control, and business decision-making; will leverage the FDE frontline delivery system to continuously transform on-site scenarios from major clients into standardized products and model assets; will leverage an open AI ecosystem to continuously enhance capabilities in computing power adaptation, model compatibility, ecosystem distribution, and enterprise-grade deployment; and will leverage the TaxSwift system to continuously expand the footprint of cross-border e-invoicing, overseas tax compliance, and go-global services for enterprises.

Building upon the aforementioned growth initiatives, the Group will continue to solidify its differentiated competitive advantages and avoid homogenized competition with general-purpose large language models and traditional finance and tax SaaS providers. The Group will consolidate its trusted business foundation through financial and tax compliance, build differentiated and authorized business context through authentic transaction data, and expand value for enterprise decision-making through commercial credit. By embedding vertical agents into core enterprise workflows, having FDE teams complete on-site value validation, and enabling the Token Factory to achieve standardized production and metered delivery of services, the Group is committed to becoming a key service provider in trusted enterprise transactions, commercial credit, and intelligent business decision-making.

In terms of client operations, the Group will implement tiered and targeted empowerment based on customer value and scenario maturity. For large enterprises, the Group will focus on high-value core processes such as tax risk control, invoice and document processing, intelligent reconciliation, business analysis, and supply chain credit. For micro, small and medium-sized enterprises, the Group will deliver lightweight AI-powered finance and tax services through ecosystem entry points to achieve inclusive intelligent empowerment. For financial institutions, the Group will develop sustainable credit invocation services covering due diligence, marketing, risk control, and post-loan monitoring. For government and public institutions, the Group will adhere to compliance and prudent principles in delivering transaction insights, industrial analysis, and risk identification capabilities.

In respect of the business model, the Group will establish a diversified and multi-faceted charging model covering subscription services, FDE implementation services, model and API calls, usage-based billing for tokens and ongoing monitoring subscriptions, and will implement an outcome-based pricing model in mature scenarios that are compliant and controllable. Management will continue to optimise the revenue mix, increasing the proportion of revenue derived from standardised products, intelligent calls, outcome-based services and ongoing subscriptions, and driving the revenue model to evolve from one-off project delivery towards recurring, scalable and continuous service calls.

The Group will continue to assess the effectiveness of its AI transformation by reference to pragmatic, long-term business value, with a focus on the outcomes of future business deployment and the enhancement of operating quality. It will continue to drive the deep embedding of agents into the production systems of enterprises so that they can reliably undertake core business functions, while ensuring that the services are fully reviewable and auditable throughout the entire service process. The Group will continue to optimise delivery efficiency and reduce unit service costs, enhance customer renewal stickiness and expand the scale of service coverage, serving a broader base of enterprise customers with lightweight, standardised and efficient delivery capabilities. Building on the continued enhancement of operational efficiency, delivery capabilities and customer value, the Group will steadily achieve simultaneous improvements in revenue, gross profit and operating cash flow.

The AI business remains at the investment and validation stage, and its development is affected by factors including the pace of customer adoption, model reliability, data licensing and compliance requirements, computing power and supply chain costs, industry competition, and adjustments to talent and organisational structure. Certain products, collaborations and charging arrangements are still being tested and may not generate revenue on a meaningful scale within the expected timeframe. The Group will control the pace of its investment, continuously evaluate project quality, customer payments and cash returns, and adjust its resource allocation based on actual operating results.

Financial Review

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

Revenue

Our revenue decreased by 14.4% from RMB347.6 million for the six months ended June 30, 2025 to RMB297.5 million for the six months ended June 30, 2026. 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 periods indicated.

	Six months ended June 30			
	2026		2025	
		Percentage of total revenue		Percentage of total revenue
	RMB'000	***(%)***	*RMB'000*	*(%)*
FinTech	**68,660**	**23.1**	67,709	19.5
RegTech	**205,080**	**68.9**	242,773	69.8
CreditTech	**6,521**	**2.2**	–	–
Others	**17,282**	**5.8**	37,106	10.7
Total	**297,543**	**100.0**	347,588	100.0

- FinTech. Our FinTech business primarily consists of risk management services and financial business intelligent agent. Our risk management services primarily comprise enterprise operation reporting services, user analytics services, risk analytics services, and procurement optimization services. Our enterprise operation reporting services enable financial service providers to develop comprehensive and meaningful understanding of relevant enterprises' operational performance and financial positions as reflected in their digital transaction documents. Our user analytics services identify potential users of financial products based on our analysis of their transaction data, and facilitate the user acquisition by financial service providers. Our risk analytics services devise and configure risk management system for financial service providers, and enable them to optimize their risk control strategies and enhance their ability to independently monitor, detect and manage risks. Our financial business intelligent agent, supported by a commercial credit assessment system covering over 3,000 dimensions, provides 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. Our revenue generated from the FinTech business increased from RMB67.7 million for the six months ended June 30, 2025 to RMB68.7 million for the six months ended June 30, 2026.

- RegTech. Our RegTech business primarily includes cloud-based financial and tax digitization solutions, on-premises financial and tax digitization solutions, and an intelligent transaction management system. Revenue from our RegTech business decreased by 15.5% from RMB242.8 million for the six months ended June 30, 2025, to RMB205.1 million for the six months ended June 30, 2026. This was primarily due to the "Leqi" project (a system provided by the State Taxation Administration to eligible enterprises that directly connects the State Taxation Administration's tax system with the enterprises' own information systems and provides digital invoicing services), which was fully rolled out in 2024 and for which acceptance and revenue recognition were concentrated in 2025, resulting in a decrease in fees for the development and implementation of customized projects during the reporting period compared to the same period in 2025.

- CreditTech. Based on real transaction data, our CreditTech business continuously identifies, evaluates and predicts the operating capabilities, credit quality and risks of enterprises or individuals through big data, AI, relationship graphs and dynamic models, and applies such credit capabilities to business scenarios such as financial marketing, credit approval and risk management. For the six months ended June 30, 2026, our CreditTech business generated revenue of RMB6.5 million, compared to nil from the business in the same period in 2025.

- Other services. Other services primarily include digital precision marketing services, training, and advertising. Revenue from our other service businesses decreased by 53.4% from RMB37.1 million for the six months ended June 30, 2025, to RMB17.3 million for the six months ended June 30, 2026. This was primarily due to the Company's strategic reduction of low-margin digital precision marketing services.

Cost of sales

Our cost of sales decreased by 9.1% from RMB185.6 million for the six months ended June 30, 2025 to RMB168.7 million for the six months ended June 30, 2026. The following table sets forth a breakdown of our cost of sales by business lines, both in absolute amount and as a percentage of total cost of sales, for the periods indicated.

	Six months ended June 30			
	2026		2025	
		Percentage of total cost of sales		Percentage of total cost of sales
	RMB'000	***(%)***	*RMB'000*	*(%)*
FinTech	**15,983**	**9.5**	13,930	7.5
RegTech	**137,044**	**81.2**	146,850	79.1
CreditTech	**2,034**	**1.2**	–	–
Others	**13,609**	**8.1**	24,821	13.4
Total	**168,670**	**100.0**	185,601	100.0

Gross profit and gross profit margin

Our gross profit decreased by 20.4% from RMB162.0 million for the six months ended June 30, 2025 to RMB128.9 million for the six months ended June 30, 2026. The gross profit margin for the six months ended June 30, 2026 was 43.3%, as compared with 46.6% for the six months ended June 30, 2025, representing a slight decrease as compared with the corresponding period of last year. The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the periods indicated.

	Six months ended June 30			
	2026		2025	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000	***(%)***	*RMB'000*	*(%)*
FinTech	**52,677**	**76.7**	53,779	79.4
RegTech	**68,036**	**33.2**	95,923	39.5
CreditTech	**4,487**	**68.8**	–	–
Others	**3,673**	**21.3**	12,285	33.1
Total	**128,873**	**43.3**	161,987	46.6

Other income

We recorded other income of RMB0.8 million for the six months ended June 30, 2026, as compared with RMB0.9 million for the six months ended June 30, 2025, primarily due to the year-on-year decrease in government grants received by the Group.

Other gains and losses

We recorded other losses of RMB7.7 million for the six months ended June 30, 2026, which primarily consisted of the Group's foreign exchange losses, as compared with other gains of RMB0.1 million for the six months ended June 30, 2025, primarily comprising the Group's foreign exchange losses and the reversal of litigation expenses accrued in the previous year in accordance with the judgment.

Research and development expenses

Our research and development expenses increased by 18.4% from RMB68.3 million for the six months ended June 30, 2025, to RMB80.8 million for the six months ended June 30, 2026, primarily due to upfront investments in our TaxSwift platform (used to provide overseas tax compliance and electronic invoicing services), as well as a temporary increase in R&D, technical services, computing power, and talent expenses resulting from our push for AI transformation initiative.

Administrative expenses

Our administrative expenses increased by 12.8% from RMB44.8 million for the six months ended June 30, 2025 to RMB50.5 million for the six months ended June 30, 2026, primarily due to the one-off costs incurred in connection with the improvement of organizational efficiency resulting from the Company's talent structure strategic upgrade.

Distribution and selling expenses

Our distribution and selling expenses decreased by 6.4% from RMB49.3 million for the six months ended June 30, 2025 to RMB46.1 million for the six months ended June 30, 2026, 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; on the other hand, a greater focus on customer service and brand influence bringing 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.

Finance income

Our finance income increased by 24% from RMB1.6 million for the six months ended June 30, 2025 to RMB2.0 million for the six months ended June 30, 2026.

Finance costs

We recorded the finance costs of RMB0.2 million for the six months ended June 30, 2026, as compared to RMB0.3 million for the six months ended June 30, 2025.

Fair value changes of financial assets at FVTPL

We recorded fair value gains of financial assets at FVTPL of RMB17.4 million for the six months ended June 30, 2026, mainly from changes in the fair value of investments in associates with preferred rights and wealth management income. We recorded gains of RMB5.4 million for the six months ended June 30, 2025, mainly from wealth management income.

Share of results of associates and joint ventures

We recorded share of losses of associates and joint ventures of RMB1.0 million for the six months ended June 30, 2026, as compared to share of losses of RMB0.8 million for the six months ended June 30, 2025, primarily due to the losses that such associates and joint ventures recorded in the first half of 2026.

Income tax expenses

Our income tax expenses were RMB0.02 million and RMB0.0 million for the six months ended June 30, 2025 and 2026, respectively.

Net profit/loss for the period

As a result of the foregoing, we recorded a net loss of RMB43.8 million for the six months ended June 30, 2026, as compared to a net profit of RMB3.6 million for the six months ended June 30, 2025.

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

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use adjusted net (loss)/profit (non-IFRS measure) as an additional financial measure. We define adjusted net (loss)/profit (measured under non-IFRS) as net (loss)/profit for the period, adjusted by adding share-based payment expenses, 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. The following table reconciles our adjusted net (loss)/profit (non-IFRS measure) for the periods presented:

	For the six months ended June 30,	
	2026	2025
	(RMB'000)	
Reconciliation of net (loss)/profit to adjusted net (loss)/profit (non-IFRS measure):		
Net (loss)/profit for the period	**(43,820)**	3,647
Add		
Share-based payment expenses	**4,119**	950
Adjusted net (loss)/profit (non-IFRS measure)	**(39,701)**	4,597

We recorded an adjusted net loss of RMB39.7 million for the six months ended June 30, 2026, as compared to an adjusted net profit of RMB4.6 million for the six months ended June 30, 2025. The decrease in adjusted net profit is primarily attributable to initial investments in the TaxSwift platform (which provides overseas tax compliance and electronic invoicing services), as well as a temporary increase in R&D, technical services, computing power, and talent-related expenses resulting from our advancement of the AI transformation initiative.

Source of liquidity and working capital

In the six months ended June 30, 2026, our primary use of cash was to fund our working capital requirements 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 (as defined below) and other funds raised from the capital markets from time to time.

We monitor our cash flows and cash balance and funding requirement on a regular basis. We strive to maintain optimal liquidity that meets our working capital requirement. Our current assets decreased from RMB805.9 million as of December 31, 2025 to RMB724.0 million as of June 30, 2026, primarily due to the working capital requirements of the Company.

Cash and cash equivalents

Our cash and cash equivalents primarily consisted of cash at banks. Our cash and cash equivalents decreased from RMB385.7 million as of December 31, 2025 to RMB297.7 million as of June 30, 2026.

As at June 30, 2026, the total amount of cash and cash equivalents as well as wealth management products under financial assets at fair value through profit or loss was RMB389.4 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 RMB7.5 million for the six months ended June 30, 2026, mainly affected by fluctuations in the exchange rates of Hong Kong dollar assets in cash and cash equivalents.

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.

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 June 30, 2026, 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 their contractual cash flow obligations in the near term. The identified credit losses are insignificant during the Reporting Period. 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.

Capital expenditure

For the six months ended June 30, 2026, our total capital expenditure amounted to approximately RMB11.7 million, compared to RMB4.9 million for the six months ended June 30, 2025, which was mainly the intangible assets formed by internal R&D.

Capital commitments

As at June 30, 2026 and December 31, 2025, we had capital commitments of RMB21.6 million and RMB39.0 million, respectively, primarily in connection with our capital expenditure in acquisition of equity interests in associates and joint ventures.

Indebtedness

Our indebtedness during the Reporting Period was primarily lease liabilities. During the Reporting Period, we obtained a credit line of RMB50.0 million granted to us by a reputable commercial bank in China, and we have drawn down RMB32.5 million as of the date of this announcement. Subsequent to the Reporting Period, we obtained credit lines of RMB150.0 million granted to us by two reputable commercial banks in China, of which, RMB15.0 million has already been withdrawn, whilst the remainder has not been utilized. Save as disclosed, during the Reporting Period, we did not maintain banking facilities, nor did we utilize banking facilities. As of June 30, 2026, we recorded lease liabilities of RMB8.2 million, as compared with RMB13.6 million as of December 31, 2025.

Contingent liabilities

As of June 30, 2026, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our 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 this announcement, as of the date of this announcement, we did not have other substantial future plans for material investments and capital assets.

Significant investments, material acquisitions and disposals

For the six months ended June 30, 2026, the Group held two investments which carry 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 June 30, 2026** *(RMB in millions)*	**Fair value as at June 30, 2026** *(RMB in millions)*	**Percentage of the investment held as at June 30, 2026** *(%)*	**Size as compared to the Group's total assets as at June 30, 2026** *(%)*	**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	3.2	69.9	Not applicable	40.0	6.6	Not applicable	–
Hangzhou Xinfengwei Network Technology Co., Ltd. ("**Hangzhou Xinfengwei**")	40.0	Not applicable	64.2	64.2	2.5	6.0	15.1	–

Except for the above-mentioned significant investments, we did not have any material acquisitions and disposals and significant investments.

Charge on Group's assets

As of June 30, 2026, we had no charges on our assets.

Key financial indicators

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

	Six months ended June 30	
	2026	2025
Profitability ratios		
Gross profit margin(1)	**43.3%**	46.6%
Net (loss)/profit margin(2)	**(14.7)%**	1.0%
Revenue growth rate(3)	**(14.4)%**	23.5%

	As of June 30, 2026	As of December 31, 2025
Liquidity ratios		
Current ratio(4)	**3.9**	3.9

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

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

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

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

OTHER INFORMATION

Use of Proceeds

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

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

The table below sets out the planned and actual applications of the net proceeds up to June 30, 2026.

	Allocation of net proceeds from the Global Offering *(HKD in millions)*	Percentage of net proceeds *(%)*	Unutilized proceeds as of January 1, 2026 *(HKD in millions)*	Utilized proceeds during the Reporting Period *(HKD in millions)*	Utilization up to June 30, 2026 *(HKD in millions)*	Unutilized proceeds as of June 30, 2026 *(HKD in millions)*
Solution upgrade and function enhancement	72.1	31.5	44.4	12.7	40.4	31.7
Research & development	67.3	29.4	23.3	11.2	55.2	12.1
Sales and marketing initiatives	44.2	19.3	44.2	17.5	17.5	26.7
Selective acquisitions and investment	26.3	11.5	20.9	–	5.4	20.9
Working capital and other general purposes	19.0	8.3	19.0	–	–	19.0
Total	**228.9**	**100.0**	**151.8**	**41.5**	**118.6**	**110.3**

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.

Human Resources

As of June 30, 2026, the Group had 643 employees (as of December 31, 2025: 754). The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination.

The remuneration of the Group's employees includes basic salaries, allowances, bonus, share options and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. We provide regular trainings to our employees in order to improve their skills and knowledge. The training courses range from further educational studies to skill training to professional development courses for management personnel.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) from January 1, 2026 to the date of this announcement. As of June 30, 2026, the Company did not hold any treasury shares.

Interim Dividend

The Board resolved not to declare any interim dividend for the six months ended June 30, 2026.

Sufficient Public Float

Pursuant to Rule 19A.28B(1)(a) of the Listing Rules, 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) of the Company. From information that is publicly available to the Company and within the knowledge of its Directors as at the date of this announcement, the Company had complied with the public float requirement under the Listing Rules during the Reporting Period.

Compliance with Corporate Governance Code

The Group is committed to maintaining high standards of corporate governance practices. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions set out in the CG Code as its own code of corporate governance. Currently, the positions of chairlady and chief executive officer are held by Ms. Chen Jie. She is the founder of the Group and has been operating and managing the Group since its establishment. The Board believes that Ms. Chen Jie has been instrumental to the growth and development of the Group. The Board is of the view that vesting the roles of the chairlady and chief executive officer in her is beneficial to the management of the Company, and therefore currently does not propose to separate the roles of chairlady and chief executive officer.

While this will constitute a deviation from code provision C.2.1 of the CG 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.

Save for the aforesaid matters, the Company had complied with other applicable code provisions under the CG Code during the Reporting Period.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions.

Having made specific enquiries of all Directors and the Company's supervisors, each of the Directors and the supervisors has confirmed that he/she has complied with the requirements of the Model Code during the six months ended June 30, 2026.

The Company has also adopted the Model Code as the code of conduct for securities transactions by relevant employees who may have access to inside information of the Company and/or its securities. During the Reporting Period, the Company was not aware of any incident of non-compliance with the Model Code by the relevant employees.

Audit Committee and Review of Interim Financial Results

As of the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Ng Kwok Yin, Mr. Tian Lixin and Mr. Fu Ming, and Mr. Ng Kwok Yin serves as the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2026, and has recommended the same for approval by the Board.

The Audit Committee has also reviewed the accounting policies and practices adopted by the Company and discussed matters in relation to, among others, risk management, internal control and financial reporting of the Group with the management and Rongcheng (Hong Kong) CPA Limited, the independent auditor of the Company. Based on this review and discussions with the management and the independent auditor of the Company, the Audit Committee was satisfied that the Group's unaudited interim condensed consolidated financial information was prepared in accordance with applicable accounting standards and fairly presents the Group's financial position and results for the six months ended June 30, 2026.

Rongcheng (Hong Kong) CPA Limited, the Company's independent auditor, has carried out a review of the unaudited interim financial report for the six months ended June 30, 2026 in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Subsequent Event

As of the date of this announcement, the Company had no significant events after the Reporting Period which need to be disclosed.

PUBLICATION OF 2026 INTERIM RESULTS AND 2026 INTERIM REPORT

This announcement is published on the website of the Stock Exchange (**www.hkexnews.hk**) and the Company's website (**www.baiwang.com**). The interim report of the Company for the six months ended June 30, 2026 will be dispatched to the Shareholders who have requested corporate communications in printed copy and published on the aforesaid websites in due course.

FURTHER INFORMATION REGARDING THE 2025 ANNUAL REPORT

Reference is made to the Company's annual report for the year ended December 31, 2025 (the "**2025 Annual Report**"), published on April 29, 2026. The Company hereby provides the following supplementary explanations in relation to the relevant disclosures contained in the 2025 Annual Report:

(1) Related Party Transactions: The related party transactions disclosed in Note 40 to the consolidated financial statements in the 2025 Annual Report are not deemed to be "connected transactions" or "continuing connected transactions" (as the case may be) under Chapter 14A of the Listing Rules, or are exempt from the reporting, announcement and shareholder approval requirements under the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

(2) 2025 Share Incentive Scheme: The Company granted awards on July 29, 2025, November 29, 2025 and December 4, 2025 pursuant to the 2025 Share Incentive Scheme (ESOP Platforms); the fair value of each award granted on those dates was approximately RMB13.96 per Share, RMB12.05 per Share and RMB11.67 per Share respectively. The "grant price" referred to in the 2025 Annual Report is the purchase price payable by the grantee for each relevant incentive share, which is RMB2.51 per Share. Except for awards that lapse due to the grantee's resignation, each batch of awards is unlocked in four equal instalments, each representing 25% of the relevant award, and is unlocked on the first, second, third and fourth anniversaries following the relevant grant date, respectively.

APPRECIATION

On behalf of the Board, I 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.

DEFINITIONS

"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended or supplemented from time to time
"Company", "Group", "we", "us", "our" or "Baiwang"	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 indicates otherwise, the Company's subsidiaries
"Director(s)"	the director(s) of the Company
"Global Offering"	the Company's initial public offering on the Main Board completed on July 9, 2024
"H Shares"	overseas-listed foreign ordinary shares in the share capital of the Company with nominal value of RMB1.00 each, traded in HK dollars and listed on the Stock Exchange
"Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"Listing Date"	July 9, 2024, being the date of listing of the Company's H Shares on the Main Board
"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
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules, as amended or supplemented from time to time

"PRC"	the People's Republic of China, excluding, for the purposes of this interim results announcement and for geographical reference only and except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus of the Company dated June 28, 2024
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising the Company's domestic Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By Order of the Board
Baiwang Co., Ltd.
百望股份有限公司
Ms. Chen Jie
Chairlady and Executive Director

Beijing, the PRC, August 31, 2026

As at the date of this announcement, the Board comprises Ms. Chen Jie, Mr. Zou Yan and Ms. Zhu Liping as executive Directors; Mr. Huang Miao and Mr. Diao Juanhuan as non-executive Directors; Mr. Tian Lixin, Dr. Wu Changhai, Mr. Ng Kwok Yin and Mr. Fu Ming as independent non-executive Directors.