

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



2026

Interim Report

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Chen Jie (*Chairlady*)
Mr. Zou Yan
Ms. Zhu Liping

Non-Executive Directors

Mr. Huang Miao
Mr. Diao Juanhuan
Mr. Chen Hang

Independent Non-Executive Directors

Mr. Tian Lixin
Dr. Wu Changhai
Mr. Fu Ming
Mr. Ng Kwok Yin

SUPERVISORS

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

AUDIT COMMITTEE

Mr. Ng Kwok Yin (*Chairman*)
Mr. Tian Lixin
Mr. Fu Ming

REMUNERATION AND APPRAISAL COMMITTEE

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

NOMINATION COMMITTEE

Ms. Chen Jie (*Chairlady*)
Mr. Fu Ming
Mr. Tian Lixin

COMPANY SECRETARY

Ms. So Lai Shan

AUTHORIZED REPRESENTATIVES

Ms. Chen Jie
Ms. So Lai Shan

AUDITOR

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
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CORPORATE INFORMATION

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COMPANY'S WEBSITE

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STOCK SHORT NAME

BAIWANG CO

STOCK CODE

6657

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.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 report.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 report, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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, Shuixiaozi, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The following discussions are based on the financial information and notes set out in other sections of this report 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	
	RMB'000	Percentage of total revenue (%)	RMB'000	Percentage of total revenue (%)
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.

MANAGEMENT DISCUSSION AND ANALYSIS

- 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 agent. 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	
	RMB'000	Percentage of total cost of sales (%)	RMB'000	Percentage of total cost of sales (%)
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

MANAGEMENT DISCUSSION AND ANALYSIS

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 RMB'000	Gross profit margin (%)	Gross profit RMB'000	Gross profit margin (%)
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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 or equity investments 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 rate 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 or equity investments with preferential rights, warrant 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Indebtedness

Our indebtedness during the Reporting Period was primarily lease liabilities. As at June 30, 2026, 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 at August 31, 2026. Between June 30, 2026 and August 31, 2026, 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 report, as of the date of this report, 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	–

MANAGEMENT DISCUSSION AND ANALYSIS

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 recognized with equity method by the Company.
- (2) The Group's investment in Hangzhou Xinfengwei, an enterprise digital transformation services and SaaS solutions provider primarily engaged in providing enterprises, government authorities and various social organizations in the PRC with organizational digital and intelligent transformation consulting services incorporating AI technologies, SaaS software products and ancillary implementation services, and with a presence in AI applications and computing power-related services, was a strategic investment for business synergy with its industrial chain. Such investment was made in February 2024 through Beijing Baiwang Financial Holding Technology Co., Ltd., a wholly-owned subsidiary of the Company. During the Reporting Period, the Company accounted for its investment in Xinfengwei as a financial asset at fair value through profit or loss.

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 this report, there was 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 monitor the investees' business operations and changes in its fair value. On the other hand, the Company has been actively seeking opportunities for exits or refinancing of such investees to achieve gains on the investments.

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

FURTHER INFORMATION ON THE 2025 ANNUAL REPORT

Reference is made to the annual report of the Company for the year ended December 31, 2025 published on April 29, 2026 (the "**2025 Annual Report**"). In addition to the information disclosed in the 2025 Annual Report, the Company would like to provide the following supplementary information in relation to the financial assets at fair value through profit or loss ("**FVTPL**") held by the Group as at December 31, 2025.

Details of investment portfolio

As at December 31, 2025, the Group held financial assets at FVTPL of RMB242,764 thousand, representing approximately 21% of the total assets of the Group. These financial assets comprise: (i) short-term wealth management products issued by banks; (ii) investments in associates or equity investments with preferential rights; (iii) investment in convertible loan; (iv) arrangement/right to receive additional shares at nominal consideration (the carrying amount of such right as at December 31, 2025 was RMB3.733 million, which has been included in the carrying amount of Shanghai Xinghan Investment below and presented together); and (v) unlisted equity investment. Details are set out below:

MANAGEMENT DISCUSSION AND ANALYSIS

Investment	Investment cost (RMB million)	Investment term/ date of investment	Source of investment funds	Carrying amount/fair value as at December 31, 2025 (RMB million)	Percentage of equity interest in investee held as at December 31, 2025 (%)	Proportion to total assets of the Group as at December 31, 2025 (%)	Cumulative unrealized gain/(loss) as at December 31, 2025 (RMB million)	Dividends received during the Reporting Period (RMB million)
A.1. USD Cash Management Enhancement Product	46.419	Subscription date: October 10, 2024, no fixed maturity date; the Group may submit redemption requests based on working capital requirements	Own funds	49.492	N/A	4.351	3.073	N/A
A.2. HKD Cash Management Enhancement Product	38.683	From October 15, 2024, no fixed maturity date; the Group may submit redemption requests based on working capital requirements	Own funds	41.244	N/A	3.626	2.561	N/A
B.1. Redeemable shares with preferential rights in Beijing Daokou Jinke Technology Co., Ltd. (北京道口金科科技有限公司) ("Daokou Jinke")	34.015	From January 31, 2021, no fixed investment term; upon the occurrence of agreed repurchase events, the redemption right may be exercised at a price equal to the total investment amount plus accrued interest at an annual rate of 8% during the shareholding period. The exit arrangement is set out in section B.1	Own funds	21.561	26.340	1.895	(12.454)	—

MANAGEMENT DISCUSSION AND ANALYSIS

Investment	Investment cost (RMB million)	Investment term/ date of investment	Source of investment funds	Carrying amount/fair value as at December 31, 2025 (RMB million)	Percentage of equity interest in investee held as at December 31, 2025 (%)	Proportion to total assets of the Group as at December 31, 2025 (%)	Cumulative unrealized gain/(loss) as at December 31, 2025 (RMB million)	Dividends received during the Reporting Period (RMB million)
B.2. Redeemable shares with preferential rights in Shanghai Xinghan Information Technology Co., Ltd. (上海星漢信息技術有限公司) ("Shanghai Xinghan")	16.449	From March 2022, no fixed investment term; the performance commitment period is from 2022 to 2024, and failure to meet the targets may trigger equity compensation and redemption rights. The exit arrangement is set out in section B.2	Own funds	10.499	19.355	0.923	(5.950)	–
B.3. Equity investment with preferential rights in Neimenggu Baiwangyun Digital Technology Services Co., Ltd. (內蒙古百望雲數字技術服務有限公司) ("Neimenggu Baiwangyun")	0.600	From September 29, 2024, no fixed investment term; the exit arrangement is set out in section B.3	Own funds	0.600	20.000	0.053	–	–
B.4. Redeemable shares with preferential rights in Hangzhou Xinfengwei Network Technology Co., Ltd. (杭州鑫鋒維網絡科技有限公司) ("Hangzhou Xinfengwei")	40.000	From February 20, 2024, no fixed investment term; the Group may require the founding shareholders to repurchase at the capital increase subscription price plus simple interest at 10% during the shareholding period. The exit arrangement is set out in section B.4	Own funds	49.114	2.501	4.317	9.114	–

MANAGEMENT DISCUSSION AND ANALYSIS

Investment	Investment cost (RMB million)	Investment term/ date of investment	Source of investment funds	Carrying amount/fair value as at December 31, 2025 (RMB million)	Percentage of equity interest in investee held as at December 31, 2025 (%)	Proportion to total assets of the Group as at December 31, 2025 (%)	Cumulative unrealized gain/(loss) as at December 31, 2025 (RMB million)	Dividends received during the Reporting Period (RMB million)
C. Convertible loan to Baiwangyun Overseas (Wuxi) Technology Co., Ltd. (百望雲海外(無錫)科技有限公司) ("Baiwangyun Overseas")	35.000	From November 20, 2024 (drawdown date), originally due on November 19, 2025; the conversion into shares and the capital increase were completed in February 2026. For details, please refer to section C	Own funds	37.665	N/A	3.311	2.665	-
D. Unlisted equity in Wuxi Huishan Yuanxin Xiwang Industrial Upgrading and Mergers & Acquisitions Investment Partnership (Limited Partnership) (無錫惠山原鑫曦望產業升級併購投資合夥企業(有限合夥)) ("Huishan Yuanxin")	30.000	From January 24, 2025, the partnership has no fixed term of existence; it is expected to exit through mergers and acquisitions/ equity transfers. For details, please refer to section D	Own funds	32.589	7.194	2.865	2.589	-
Total	241.166	-	-	242.764	-	21.341	1.598	0

Note: The Group's right to receive additional shares in Shanghai Xinghan at nominal consideration had a carrying amount of RMB3.733 million as at December 31, 2025, which has been included in the carrying amount of the investment in Shanghai Xinghan of RMB10.499 million set out in the table above and has been included in the aforesaid total of RMB242,764 thousand.

MANAGEMENT DISCUSSION AND ANALYSIS

A. Wealth management products issued by banks

As at December 31, 2025, the aggregate fair value of the wealth management products issued by banks held by the Group was RMB90.736 million. These products are short-term investments with expected return rates ranging from 1.3% to 2.4%, and their returns depend on the market prices of the underlying financial instruments.

1. USD Cash Management Enhancement Product

On October 10, 2024, the Group subscribed, at RMB46,419,316.82 (the product is denominated in USD, with subscription and redemption settled in RMB), for a principal-protected floating-return product issued and managed by Commercial Bank A. Commercial Bank A is a well-established and creditworthy licensed commercial bank operating in Hong Kong and ranks among the leading licensed banks in Hong Kong in terms of total assets. The product is a principal-protected asset management product. The product's portfolio primarily allocates U.S. Treasury bonds with remaining maturities within one year, supplemented by cash and cash equivalents, with a focus on asset safety. The return is calculated as: $\text{Return} = \text{Subscription principal} \times \text{Annualized rate of return} \times \text{Deposit days}/365$. The Group may submit redemption requests based on working capital requirements, and the manager will arrange the remittance of redemption proceeds within 5 working days after receiving complete redemption documents.

2. HKD Cash Management Enhancement Product

On October 15, 2024, the Group subscribed, at RMB38,682,818.82 (the product is denominated in HKD, with subscription and redemption settled in RMB), for a principal-protected floating-return product issued and managed by Commercial Bank B. Commercial Bank B is a well-known and creditworthy licensed commercial bank, with substantial banking operations and a leading market presence in Hong Kong. The product is a principal-protected asset management product, with underlying assets comprising Hong Kong government bonds and highly liquid monetary assets, to match the Group's need for flexible deployment of idle funds. The return is calculated as: $\text{Return} = \text{Subscription principal} \times \text{Annualized rate of return} \times \text{Actual holding days}/365$. If the Group has cash needs, it may proactively submit redemption requests.

B. Investments in associates or equity investments with preferential rights and related rights

1. Daokou Jinke

On January 31, 2021, the Group acquired 26.34% of the redeemable shares with preferential rights in Daokou Jinke for RMB34.015 million, and is able to exercise significant influence over Daokou Jinke. Upon the occurrence of certain future events, Daokou Jinke and/or its controlling owner shall, at the request of the Company, redeem such shares at the higher of (i) the Company's total investment amount plus accrued interest at an annual rate of 8% during the Group's shareholding period and declared dividends payable to the Company, and (ii) an independent valuation. The investment has no fixed investment term.

MANAGEMENT DISCUSSION AND ANALYSIS

Daokou Jinke was incubated by the Internet Finance Laboratory of Tsinghua University PBC School of Finance, and is principally engaged in data and fintech services for micro, small and medium-sized enterprises, creating synergies with the Group's digital financial and tax solutions and data-driven business analytics services. The investment is a strategic investment to create business synergies with the Group's industrial chain. Currently, Daokou Jinke is still in the early stage of commercialization, with relatively high investments in research and development, data and computing power, a long implementation cycle for enterprise customers, and economies of scale not yet realized. Its revenue has not yet achieved sufficient economies of scale to cover fixed costs. The Group has established continuous financial monitoring and redemption mechanisms. If there are signs that the investment may adversely affect the Group's financial position, the Group can promptly initiate relevant protection arrangements to control and mitigate potential losses. The Group intends to continue to hold the investment and will continue to monitor its commercialization and customer implementation progress. If the above redemption events are triggered, the Group may exercise the redemption right at the agreed price. There is no fixed exit timetable at this stage.

2. *Shanghai Xinghan and Additional Share Rights*

In March 2022, the Group agreed to inject RMB18.000 million into Shanghai Xinghan to acquire 19.3548% of its redeemable shares with preferential rights, and is able to exercise significant influence over Shanghai Xinghan. RMB13.950 million was paid upon signing of the investment agreement, and the remaining RMB4.050 million was payable upon the satisfaction of certain specified conditions. As such conditions were not satisfied, the contingent consideration lapsed as at December 31, 2025, and accordingly the investment cost actually paid by the Group for this investment was RMB13.950 million. The investment cost of RMB16.449 million set out in the table above represents the cost of this investment at initial recognition, being the above paid investment amount of RMB13.950 million plus a contingent consideration of RMB2.499 million. The contingent consideration represented the discounted fair value of the second installment of RMB4.050 million, which, at initial recognition, was expected to be paid (such contingent consideration has lapsed as a result of the above conditions not being satisfied). The investment has no fixed investment term. Upon the occurrence of certain future events, Shanghai Xinghan and/or its designated third party shall, at the request of the Group, redeem such shares at an amount equal to the Group's capital injection amount plus accrued compound interest at 8% per annum during the shareholding period, less dividends received.

MANAGEMENT DISCUSSION AND ANALYSIS

As Shanghai Xinghan failed to meet the cumulative revenue target for the three-year period from 2022 to 2024 as stipulated in the investment agreement, the Group's right to receive additional shares at nominal consideration from one of its founding shareholders pursuant to the agreed formula has been triggered. In terms of its composition, the investment comprises two parts: (i) the redeemable shares with preferential rights in Shanghai Xinghan corresponding to the investment amount paid by the Group, with a fair value of RMB6.766 million as at December 31, 2025 (December 31, 2024: RMB6.577 million); and (ii) the above-mentioned right to receive additional shares at nominal consideration, with a fair value of RMB3.733 million as at December 31, 2025 (December 31, 2024: RMB3.625 million). The aggregate amount of the two parts is RMB10.499 million, which has been included in the total financial assets at FVTPL of RMB242,764 thousand held by the Group as at December 31, 2025 (see the note to the table above). In terms of profit or loss, the carrying amount of the investment changed from the cost of RMB16.449 million at initial recognition to RMB10.499 million, resulting in a cumulative unrealized loss of RMB5.950 million, primarily because Shanghai Xinghan is still in its investment phase and the fair value of its equity portion is lower than the investment amount paid. Of the above, the performance compensation right has no separate investment cost, and its fair value increase has partially offset the decline in the fair value of the equity portion, while the above lapsed contingent consideration does not affect the cost of this financial asset. Shanghai Xinghan is principally engaged in enterprise SaaS and enterprise data technology services, which creates synergies with the Group's digitalized finance and taxation solutions and data-driven enterprise analytics services. The parties may explore potential cooperation opportunities to expand finance, taxation and corporate services scenarios around the enterprise customer ecosystem. Shanghai Xinghan is in the stage of enterprise SaaS product research and development and market expansion, and requires continuous investment in product research and development, sales team, and customer success service expenses in the early stage. The contract signing and revenue recognition cycle for enterprise SaaS customers is relatively long, and the business has not yet generated sufficient revenue to achieve economies of scale or cover its fixed costs, resulting in continuous operating losses. The Group participates in the deliberation of its major operating and financial matters through appointed directors, continuously receives financial and operational information pursuant to the investment agreement, and tracks its cash burn, product iteration, and customer acquisition progress. This investment is structured with a redemption right and a performance-based compensation mechanism. Through the above continuous monitoring and contractual protection arrangements, if there are signs that the investment may adversely affect the Group's financial position, the Group can promptly initiate relevant protection arrangements to control and mitigate potential losses. If Shanghai Xinghan fails to meet the above performance targets, the Group may acquire additional shares at nominal consideration pursuant to the agreed formula, or, upon the triggering of repurchase events, exercise the redemption right at the capital injection amount plus accrued compound interest at 8% per annum during the shareholding period. The Group will decide whether to continue to hold or exit depending on the commercialization of its SaaS products and its cash burn situation. There is no fixed exit timetable at this stage.

MANAGEMENT DISCUSSION AND ANALYSIS

3. *Neimenggu Baiwangyun*

On September 29, 2024, Beijing Baiwang Jinkong Technology Co., Ltd. (北京百望金控科技有限公司) (“**Baiwang Jinkong**”), a subsidiary of the Group, entered into a joint venture agreement with Neimenggu Yining Technology Co., Ltd. (內蒙古禱寧科技有限公司) (“**Yining Technology**”) and Henan Kawo Network Technology Co., Ltd. (河南卡沃網絡科技有限公司) (“**Kawo Network**”) to jointly establish Neimenggu Baiwangyun. Baiwang Jinkong subscribed for a capital contribution of RMB1.0 million, representing a 20% equity interest in Neimenggu Baiwangyun, while Yining Technology and Kawo Network held 70% and 10% equity interests, respectively. Baiwang Jinkong had paid RMB0.6 million of its subscribed capital contribution, representing the Group’s investment cost of RMB0.600 million in the investment. Pursuant to the relevant investment agreement, the Group and the other joint venture partners agreed on certain performance arrangements in respect of Neimenggu Baiwangyun. Upon the occurrence of certain future events, the Group will not be required to complete the payment of the remaining subscribed capital contribution, and will be entitled to require the controlling shareholder of Neimenggu Baiwangyun to redeem the equity interest proposed to be disposed of at an amount equal to the corresponding paid-up registered capital plus a capital occupation fee, or to require Neimenggu Baiwangyun to complete a directed capital reduction. The investment was funded by the Group’s own funds and has no fixed investment term. As at December 31, 2025, the carrying amount of the investment was RMB0.600 million. Neimenggu Baiwangyun is principally engaged in the promotion, sales, delivery and localized implementation in Inner Mongolia of the Group’s Baiwang cloud-based invoice and document products, cloud-based products, digital technology-enabled lending facilitation products, Yundou products and related services.

Neimenggu Baiwangyun was established to leverage the Group’s technological and product advantages in digital products. The investment creates synergies with the Group’s digitalized finance and taxation solutions and data-driven enterprise analytics services, principally by leveraging the regional customer resources and market channels of the joint venture partners to expand the sales and delivery of the Group’s Baiwang cloud-based invoice and document products, cloud-based products and digital technology products in Inner Mongolia, and to build the Group’s regional customer base of micro, small and medium-sized enterprises. The Group currently intends to determine the subsequent arrangements after the fulfilment of the performance commitments has been confirmed. There is no fixed exit timetable at this stage.

MANAGEMENT DISCUSSION AND ANALYSIS

4. *Hangzhou Xinfengwei*

On February 20, 2024, the Group injected RMB40.000 million into Hangzhou Xinfengwei to acquire 2.5007% of its redeemable shares with preferential rights. Upon the occurrence of certain future events, the Group has the right to require the founding shareholders of Hangzhou Xinfengwei to repurchase such shares at an amount equal to the capital increase subscription price plus simple interest at 10% during the shareholding period, less dividends received. As at December 31, 2025, the carrying amount of this investment was RMB49.114 million. Hangzhou Xinfengwei is principally engaged in providing AI-integrated organizational digital and intelligent transformation consulting, SaaS software products, and supporting implementation services to enterprises, governments, and various social organizations, and has built capabilities in AI application and computing power-related services. With the expansion of its AI application and computing power-related services, Hangzhou Xinfengwei creates synergies with the Group's digitalized finance and taxation solutions and artificial intelligence businesses by leveraging complementary channels and products for the small and medium-sized enterprise customer ecosystem and exploring the integration of finance and taxation digitalization with organizational management digitalization scenarios. The Group only holds a minority equity interest in Hangzhou Xinfengwei and has no control or significant influence over it, therefore, this investment is measured at FVTPL. As regards the investment's performance, the Group continuously tracks its business expansion, customer development, and operating performance, and regularly evaluates the performance of this investment. During the reporting period, this investment recorded an unrealized gain, and its carrying amount increased compared to the investment cost. As regards the expected exit, the Group may realize the investment through subsequent equity financing, equity transfers, or mergers and acquisitions and other means when suitable opportunities arise. The Group will decide whether to continue to hold or exit based on the business expansion and financial performance of its digitalization solutions. There is no fixed exit timetable at this stage.

C. **Convertible loan to Baiwangyun Overseas**

On November 17, 2024, the Company entered into the convertible loan agreement (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, pursuant to which the Company made available to Baiwangyun Overseas a convertible loan in a principal amount of RMB35.000 million at an interest rate of 8% per annum, convertible into the equity interest in Baiwangyun Overseas if any outstanding principal amount remains unpaid upon maturity. As at December 31, 2025, the carrying amount of this investment was RMB37.665 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Baiwangyun Overseas is a limited liability company incorporated in China, and is principally engaged in the overseas business including localization, development and sales of the Company's tax compliance related products in countries and regions outside China, as well as the overseas implementation, upgrade and licensing of the related technologies in accordance with the foreign local laws and regulations. Baiwangyun Overseas directly supports the Group's overseas tax compliance business. This investment is intended to support the localization, sales and delivery of the Group's tax compliance products in overseas markets and to expand the Group's overseas business presence.

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 was credited to the registered capital of Baiwangyun Overseas, and the remaining RMB32.3077 million was 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 to 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. Although the above Capital Increase Agreement was entered into on December 31, 2025, the completion of the relevant conversion and capital increase took place only in February 2026 (upon completion of the above conversion and capital increase, the Company held a 35% equity interest in Baiwangyun Overseas, corresponding to registered capital of RMB2.6923 million), which is a post-balance sheet event; therefore, as at December 31, 2025, this investment was still classified as a convertible loan and recorded at RMB37.665 million, consistent with the notes on classification and subsequent events set out in the 2025 Annual Report. 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 to procure Huanqiu Zhilian and/or its designated third party to purchase, all equity interests then held by the Company in Baiwangyun Overseas.

D. Unlisted equity investment in Huishan Yuanxin

On January 24, 2025, the Company entered into an investment agreement with Huishan Yuanxin and other investors, pursuant to which the Company invested RMB30.000 million, representing 7.19% equity interest in Huishan Yuanxin. As at December 31, 2025, the carrying amount of this unlisted equity investment was RMB32.589 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Huishan Yuanxin is a limited partnership incorporated in China and has not been registered as a private investment fund with the Asset Management Association of China. Its investment objective and strategy are to achieve capital appreciation through equity and merger and acquisition investments, and to seek reasonable investment returns for its partners. It primarily invests in equity interests of enterprises related to industrial upgrading. Meanwhile, it may also allocate capital to projects related to technical services, digital technology, and the industrial internet. The partnership has no fixed term of existence and, unless dissolved in accordance with law or as agreed, will continue to exist. The executive partner is Wuxi Yuanxin Xiwang Technology Industry Development Co., Ltd. (無錫原鑫曦望科技產業發展有限公司), incorporated in China on January 21, 2025, with a registered capital of RMB3 million, 65% of which is held by Jiangsu Yuanli Industrial Investment Co., Ltd. (江蘇原力產業投資有限公司), which in turn is wholly owned by Wuxi Huishan Science and Innovation Industry Group Co., Ltd. (無錫惠山科創產業集團有限公司), whose ultimate controller is the State-owned Assets Administration Office of Wuxi City Huishan District (無錫市惠山區國有資產管理辦公室). Accordingly, the executive partner has a state-owned background. Pursuant to the partnership agreement and applicable laws and regulations, the executive partner is responsible for conducting the partnership's affairs and representing the partnership externally. Within the investment objectives and strategies set out in the partnership agreement, it decides on the partnership's investments and acquires, holds, manages and disposes of assets on the partnership's behalf. The executive partner's investment management team is responsible for screening investment projects and post-investment management. Investment decisions of Huishan Yuanxin are reviewed and made by the executive partner in accordance with the partnership agreement. The investment management team of the executive partner consists of nine members, and its core members have an average of approximately ten years of experience in equity investment, mergers and acquisitions and industrial investment. Apart from Huishan Yuanxin, the executive partner does not manage any other similar partnerships. With respect to Huishan Yuanxin, its main partners include Jiangsu Yuanli Industrial Investment Co., Ltd. (subscribed capital contribution of RMB150 million, representing 35.97%), Wuxi Fosun Xinguang Enterprise Management Partnership (Limited Partnership) (無錫復星芯光企業管理合夥企業(有限合夥)) (RMB60 million, representing 14.39%), 無錫惠合新創產業投資有限公司 ("Wuxi Huihe Xinchuang") (RMB60 million, representing 14.39%), 無錫惠淳科技有限公司 ("Wuxi Huichun") (RMB60 million, representing 14.39%), and the Company (RMB30 million, representing 7.19%), with the remaining partnership interests held by other minority partners. Among the above main partners, Jiangsu Yuanli, Wuxi Huihe Xinchuang, and Wuxi Huichun all have state-owned backgrounds. In February 2025, Huishan Yuanxin entered into a control acquisition framework agreement and a share subscription agreement with Ningbo Bohui Chemical Technology Co., Ltd. (寧波博匯化工科技股份有限公司), a company listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 300839.SZ), proposing to acquire control of such company through share transfer and subscription for shares issued by way of directed issuance. As regards the future prospect, the partnership's investment direction has certain synergy potential with the Group's business direction focusing on artificial intelligence, digitalized finance and taxation solutions, and data-driven enterprise analytics services. The Group expects that as all its projects gradually mature and unlock their value, the partnership can seek reasonable capital appreciation returns for partners through equity and merger and acquisition investments, and generate investment returns to the Group. As regards the expected exit, the Group expects the partnership to realize project exits primarily through mergers and acquisitions or equity transfers and to make distributions to partners. The Group will continue to monitor the performance of its investment portfolio and exit progress, and will decide whether to continue to hold or exit based on its investment returns and project exit status. There is no fixed exit timetable at this stage.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group accounts for its above investments in accordance with the prevailing accounting standards and details of the accounting policies and particulars of the investments are disclosed in the 2025 Annual Report. The interim condensed consolidated financial statements applied consistent accounting policies.

Investment policy and objectives

The Group's investments mainly fall into the following three categories:

Short-term treasury management investments. These comprise wealth management products issued by banks, the primary purpose of which is to improve the efficiency of idle funds utilization and obtain prudent and reasonable investment returns without affecting the Group's working capital requirements.

Strategic and industrial synergy investments. These comprise investments in Daokou Jinke, Shanghai Xinghan, Hangzhou Xinfengwei and Huishan Yuanxin, the primary purpose of which is to make prudent arrangements for projects with industrial chain synergies or long-term value growth potential, centering on the Group's business direction of artificial intelligence, digitalized finance and taxation solutions and data-driven enterprise analytics services.

Debt and convertible instrument investments. These comprise the convertible loan to Baiwangyun Overseas, which aims to support the expansion of overseas-related business cooperation, while managing investment returns and risks through interest returns and arrangements for conversion into equity under specific circumstances.

The Group follows the following basic principles for its external investments: aligning with the Group's development strategy, reasonably allocating corporate resources and creating sound economic benefits. For strategic equity investments, the Group gives priority to its subsidiary Beijing Baiwang Jinkong Technology Co., Ltd. (北京百望金控科技有限公司) as the investment entity, and prudently uses the listed entity to directly carry out such investments, so as to achieve risk isolation and optimize the capital structure. The Group's investment activities are auxiliary arrangements for treasury management and business development and do not change the Group's main business focus. The Group conducts such investments in accordance with the principles of prudence and stability, capital safety, risk control, appropriate diversification and liquidity maintenance. For strategic investments, the Group also attaches importance to the alignment of the targets with the Group's business positioning and their potential industrial synergy value.

MANAGEMENT DISCUSSION AND ANALYSIS

Subject to compliance with the Company's internal approval procedures and applicable laws and regulations, the asset classes in which the Group is permitted to invest include: (i) short-term wealth management products with a term not exceeding 12 months, structured deposits, fixed income products, products with no fixed term that can be subscribed to or redeemed in accordance with the contract or other financial products with relatively controllable risks issued, arranged or managed by licensed banks, licensed financial institutions or regulated asset management institutions; (ii) unlisted equity, limited partnership interests and equity instruments with preferential rights or redemption rights that are relevant to the Group's business direction, industrial chain layout or long-term development; and (iii) loans or convertible instruments with a clear term, return mechanism, conversion conditions and exit arrangements.

Outside the above permitted investment classes, in accordance with the Group's investment policy, the Group is prohibited from investing in high-risk, highly leveraged or non-compliant products, such as crypto assets, highly leveraged derivative products, and unauthorized OTC non-standard products; unless duly authorized and subject to risk assessment, the Group will not use borrowed funds or funds required to maintain daily operations for investments.

Risk management and control measures

The Company has established a risk management and internal control framework that matches its investment scale and business model, covering short-term treasury management products, unlisted equity with preferential rights, convertible loans, contractual rights and limited partnership interests, and adopts differentiated pre-investment due diligence and risk assessment, tiered approval authorization, post-investment monitoring and exit management measures according to the legal form, return structure, liquidity, exit path and holding purpose of each type of investment. The Board of Directors is responsible for regularly assessing the adequacy and effectiveness of implementation of such internal control framework, and optimizing and adjusting it as appropriate in light of changes in the external market environment, updates in regulatory requirements and changes in the Group's investment portfolio.

Overall portfolio and concentration management

The Company monitors the amount of each individual investment and its proportion to the total assets of the Group, the concentration of the same asset class, the concentration of the same counterparty or the same industry, investment tenor, liquidity, valuation changes and overall risk exposure.

MANAGEMENT DISCUSSION AND ANALYSIS

The investment caps for any single investment, any single asset class and any single counterparty are 5%, 15% and 10% of the Group's latest audited total assets, respectively (the above limits have taken effect since its Listing in July 2024 and have been applied during 2025); matters exceeding the relevant limits or deviating from the established investment strategy shall be subject to the tiered approval procedures set out below.

The Company reviews the asset allocation structure, concentration, liquidity and overall risk exposure of its investment portfolio at least semi-annually, and adjusts its strategy based on funding requirements, market conditions, investment performance and risk profile.

A. Short-term wealth management products

Prior to making an investment, the regulatory status, financial strength, credit rating, market reputation and performance record of the product issuer/manager, as well as the product structure, underlying assets, expected return, tenor, early redemption mechanism, valuation mechanism and principal risks, are assessed.

In principle, products should be issued or managed by licensed banks or regulated financial institutions, with risk ratings limited to low risk (R1) and medium-low risk (R2) levels. The tenor should generally not exceed 12 months, or the product should have no fixed term and be capable of normal subscription and redemption in accordance with the product contract terms, without material lock-up arrangements. The expected return should be higher than the interest rate on bank deposits over the same period.

The finance department continuously monitors the fair value/net asset value, underlying assets, returns, maturity and redemption arrangements of the products, as well as the operating and credit conditions of the issuers, managers, guarantors and custodians.

If there are material adverse signals such as a significant decline of 5% or more in fair value or net asset value compared with subscription principal, returns consistently below expectations, a significant increase in the risks of underlying assets such as a downgrade in the product risk rating or the credit rating of the product issuer or manager, restricted redemption, or deterioration in the credit of major participating institutions, the Company will conduct a dedicated risk assessment and consider suspending new investments, early redemption, reducing risk exposure or other remedial measures.

B. Strategic equity, preferred shares and limited partnership investments

Before making an investment, business, financial, legal and compliance due diligence is conducted to assess the business model, historical and projected financial position, management team, industry prospects, reasonableness of valuation, shareholder rights, repurchase arrangements, exit paths, and synergies with the Group's business.

MANAGEMENT DISCUSSION AND ANALYSIS

During the investment holding period, the operating and financial performance, material litigation and regulatory matters, financing status, valuation and exit conditions of the investee enterprise or fund are continuously monitored based on available information, and a post-investment review is conducted at least semi-annually.

If the investee enterprise continues to incur losses, its operating or industry environment deteriorates materially, its fair value declines by 30% or more compared with investment cost, it fails to meet performance targets, repurchase conditions are triggered, or the expected synergies cannot be achieved, the Company will initiate a dedicated risk assessment and consider exercising redemption rights, repurchase rights, rights to receive additional shares, exit rights or other contractual rights.

C. Convertible loans and contractual rights

Before making an investment, the borrower's solvency, use of funds, interest rate, tenor, conversion trigger conditions, conversion pricing, guarantee/credit enhancement arrangements and exit arrangements are assessed. For projects with a relatively high degree of transaction complexity, the Group may engage an external independent professional valuation team to assess the fairness of the value of the target equity interest and the conversion pricing, so as to provide a reference basis for investment decisions. During the investment holding period, if conversion-related matters are triggered, the Group may also, as appropriate, engage an external independent professional valuation team to assess the equity value.

During the holding period, the payment of principal and interest, compliance with covenants, and the borrower's operating and financial condition are monitored, while all material matters that may adversely affect the exercise of conversion rights or the recovery of principal and interest are closely monitored.

Two months prior to maturity, an assessment of the repayment or conversion plan is initiated; taking into account the borrower's then operating and financial condition, the feasibility of repayment and conversion is assessed, and contingency plans are prepared in advance. If an event of default occurs or the borrower's credit condition deteriorates materially, such as where a material default is not remedied in a timely manner, or material litigation, enforcement or winding-up proceedings occur, the Group will, strictly in accordance with the relevant agreements, promptly commence collection, require additional credit enhancement, exercise conversion rights or implement other disposal measures permitted under the contracts.

D. Counterparty and liquidity management

The Group adopts tiered counterparty management for banks, product issuers, managers, general partners of limited partnerships, borrowers, investee companies and persons bearing repurchase obligations, taking into account their regulatory status, financial strength, credit record, reputation, stability of equity and management, ability to perform and credit enhancement arrangements available.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's primary objective is to meet the funding requirements for business operations, capital expenditure and other committed purposes, on the basis of which it carries out various investments, and matches the tenor and redemption arrangements of financial products with expected cash needs. In managing liquidity risk, the Group monitors the level of cash and cash equivalents and maintains it at a level considered adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The finance department prepares a "Weekly Treasury Report" every week, continuously monitors and reports to management the Group's cash flow, cash balances and overall liquidity position. If there is a material unexpected cash outflow, restricted financing channels, restricted redemption of wealth management products or a material decline in the fair value of the investment portfolio, the Company will consider suspending or deferring new investments, accelerating the recovery or exit of realizable investments, and report to management.

Foreign exchange risk management: measures adopted by the Group are as follows: the Group incorporates the scale of foreign currency-denominated investments into the above concentration management framework and reviews it at least semi-annually; the Group gives priority to principal-protected products that are redeemable upon request based on working capital requirements to shorten the holding period; the finance department continuously monitors exchange rate movements and related unrealized exchange gains or losses in the "Weekly Treasury Report" and reports to management; if there is a material adverse exchange rate movement, the Company will consider early redemption or adjusting the scale of foreign currency investments.

Approval and supervision mechanism

The Company has established a tiered approval and supervision mechanism covering short-term treasury management products, strategic equity investments, limited partnership investments and convertible loans. The Board of Directors is responsible for approving the overall investment policy, risk management framework, annual investment budget and authorized limits, and supervising the overall risk and compliance of the investment portfolio.

Investment initiation and due diligence

Investments in short-term wealth management products are initiated by the finance department based on the Group's cash flow and idle funds situation; strategic equity, limited partnership and convertible loan investments are initiated by an investment project team formed by the strategic investment department together with the finance, legal and compliance departments. The relevant departments shall prepare an investment proposal, which shall include at least the investment purpose, investment amount, source of funds, product/transaction structure, information on underlying assets or the investee, expected return, holding period, valuation basis, principal risks, exit arrangements, degree of alignment with the Group's business, and Listing Rules compliance analysis. The strategic investment department is responsible for commercial and industry due diligence, the finance department is responsible for financial analysis and verification of the source of funds, and the legal and compliance departments are responsible for legal, contractual and regulatory review. The personnel responsible for the relevant due diligence have ten years or more of relevant experience in investment, finance, legal or compliance matters.

MANAGEMENT DISCUSSION AND ANALYSIS

Tiered approval

Investment matters shall be submitted to the Chief Financial Officer, General Manager, Audit Committee, Board of Directors and/or general meeting for consideration and approval based on the nature of the transaction, amount, risk level, source of funds, the Company's internal authorization and applicable Listing Rules requirements. Specifically: (i) investments for daily short-term treasury management with amounts and risks within established limits shall be approved by the Chief Financial Officer; (ii) strategic equity, limited partnership and convertible loan investments, where the amount of a single investment does not exceed 5% of the Group's latest audited total assets and complies with the established investment strategy and annual investment budget, shall be approved by the General Manager, provided that the investment does not cause the limit for any single asset class or counterparty to be exceeded; and (iii) matters exceeding the authorized limits, involving material asset allocation, materially deviating from the established strategy, or likely to trigger disclosure or approval requirements under the Listing Rules shall be submitted to the Board of Directors and/or the general meeting. The Company's Chief Financial Officer has approximately 18 years of experience in financial management, accounting or treasury management, and has experience of multiple capital markets operation, financial management and investment bank experiences. The Company's General Manager has approximately 24 years of experience in corporate management, technology or investment decision-making. Such relevant experience enables them to assess, respectively, the funding arrangements and financial risks of short-term treasury management investments, and the commercial rationale, business alignment and principal risks of strategic investments.

Listing rules and source of funds verification

Before making an investment, the Company's compliance department and the company secretary shall review the Listing Rules implications of the transaction, including the size tests on a standalone and aggregate basis, connected person status, source of funds, and any announcement, circular or shareholder approval requirements. The finance department shall verify the source of funds using bank records and internal vouchers, and verify that the relevant funds are not funds required for the Group's daily operations or committed purposes. If proceeds from a global offering are involved, the purposes and restrictions as disclosed in the prospectus shall also be checked.

Save for the capital increase of Baiwangyun Overseas as described above (details of which are set out in the Company's announcement dated December 31, 2025), for each of the investments disclosed in the table above, each investee company and its ultimate beneficial owner(s) were third parties independent of the Company and its connected persons at the time the relevant investment was entered into; the highest applicable percentage ratios calculated under Chapter 14 of the Listing Rules for each investment at the time it was entered into were all below 5%, and therefore they did not constitute disclosable transactions and were not subject to the reporting, announcement and shareholders' approval requirements; such investments also did not constitute connected transactions under Chapter 14A of the Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

Post-investment monitoring and reporting

The finance department is responsible for the daily ledgers, accounting, collection of valuation information and maturity management of investments; the strategic investment department and post-investment management specialists are responsible for the post-investment management and synergy follow-up of strategic investments; the legal and compliance departments are responsible for monitoring material contractual rights and ongoing compliance. Management reports to the Board of Directors at least semi-annually on the performance of the investment portfolio, valuation changes, concentration, liquidity, material risks and compliance matters. The internal audit department reviews at least semi-annually the compliance of investment activities with internal systems and authorization procedures, and reports to the Audit Committee and the Board of Directors.

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
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Liquidity ratios

Current ratio ⁽⁴⁾	3.9	3.9
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- (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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 June 30, 2026, 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 June 30, 2026 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.

Save as disclosed above, as of June 30, 2026, 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As of June 30, 2026, 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 (有限合伙)) ("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⁾	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%

(1)-(3) See "Corporate Governance and Other Information – 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 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (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 date of this report, 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 June 30, 2026, 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.

SHARE INCENTIVE SCHEME

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. For a summary of the major terms of the Schemes, please refer to the 2025 annual report of the Company dated April 29, 2026 and interim results announcement for the six months ended 30 June 2026 of the Company published on 31 August 2026.

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. For a summary of the major terms of the Schemes, please refer to the 2025 annual report of the Company dated April 29, 2026.

INTERIM DIVIDEND

Having considered the Company's general business condition and strategies, cash flows, financial results and capital requirements, and other factors, the Board resolved not to declare any interim dividend for the six months ended June 30, 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 contained in Appendix C1 to the Listing Rules as its own code of corporate governance. Save as disclosed below, the Company has complied with all applicable code provisions of the CG Code during the Reporting Period.

Code provision C.2.1 of the CG Code stipulates that the roles of chairlady and chief executive officer 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-to-day 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 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 three non-executive Directors as well as four independent non-executive Directors out of the ten 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 AND OTHER INFORMATION

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' and supervisors' 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 Reporting Period.

CHANGES OF INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

During the Reporting Period, there is no change to the information of Directors, Supervisors and chief executives of the Company which are confirmed as requiring to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

From June 30, 2026 to the date of this report, the changes of the Directors were as follows:

- (1) Ms. Jin Xin resigned as an executive Director due to an adjustment to her work arrangements, and Dr. Song Hua resigned as an independent non-executive Director and ceased to be a member of each of the audit committee and the nomination committee of the Board, as he needed to devote more time and attention to his other personal and business commitments. Their resignations took effect on 21 August 2026. On the same date, Ms. Zhu Liping and Mr. Fu Ming were appointed as an executive Director and an independent non-executive Director, respectively, and Mr. Fu Ming was also appointed as a member of each of the audit committee and the nomination committee of the Board; and
- (2) Mr. Chen Hang was appointed as a non-executive Director with effect from 17 September 2026.

For further details of the above changes of the Directors, please refer to the announcements of the Company dated 21 August 2026 and 17 September 2026.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company did not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL RESULTS

As at the date of this report, 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. 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.

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 report. As at the date of this report, the Company did not hold any treasury shares.

EMPLOYEES, TRAINING AND REMUNERATION POLICIES

As of June 30, 2026, the Group had 643 employees (as of December 31, 2025: 754), and the Group's employee benefit expenses amounted to RMB155,538 thousand during the Reporting Period. 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 course for management personnel.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUFFICIENT PUBLIC FLOAT

Pursuant to Rule 19A.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.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The H Shares were listed on the Stock Exchange on July 9, 2024 by way of a Global Offering. 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 timetable 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in Note 24 to the Interim Condensed Consolidated Financial Statements, there has been no significant event since the end of the Reporting Period.

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.

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



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Baiwang Co., Ltd.

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements of Baiwang Co., Ltd. (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 50 to 88, which comprise the interim condensed consolidated statement of financial position as at June 30, 2026 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review, and to report our conclusion 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.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Rongcheng (Hong Kong) CPA Limited

Certified Public Accountants

Hong Kong

August 31, 2026



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

For the six months ended June 30, 2026

	NOTES	Six months ended June 30,	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	4	297,543	347,588
Cost of sales	8	(168,670)	(185,601)
Gross profit		128,873	161,987
Other income	5	764	910
Impairment losses under expected credit loss model, net of reversal	6	(6,546)	(2,983)
Other gains and losses	7	(7,723)	99
Research and development expenses	8	(80,827)	(68,255)
Administrative expenses	8	(50,494)	(44,758)
Distribution and selling expenses	8	(46,089)	(49,259)
Operating loss		(62,042)	(2,259)
Finance income	9	1,972	1,590
Finance costs		(175)	(274)
Fair value changes of financial assets at fair value through profit or loss (the "FVTPL")	22	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	10	—	(23)
(Loss)/profit for the period		(43,820)	3,647

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

For the six months ended June 30, 2026

	NOTES	Six months ended June 30,	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Other comprehensive expense for the period			
<i>Item that may be reclassified to profit or loss</i>			
Exchange differences arising on translation 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)/profit per share attributable to owners of the Company during the period:			
– Basic and diluted (RMB)	12	(0.19)	0.02

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	NOTES	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	13	7,833	6,465
Right-of-use assets	13	7,216	12,679
Intangible assets	14	24,542	17,068
Investments in associates		141,181	120,055
Investments in joint ventures		1,211	1,378
Financial assets at FVTPL	22	146,473	152,028
Contract costs		21,779	21,776
Contract assets	17	194	186
Amounts due from related parties	23	2,428	—
		352,857	331,635
Current assets			
Inventories		2,609	2,308
Contract costs		35,407	35,022
Contract assets	17	31,292	29,364
Trade and other receivables, deposits and prepayments	15	225,467	228,858
Amounts due from related parties	23	36,929	30,533
Financial assets at FVTPL	22	91,691	90,736
Restricted bank deposits		2,877	3,439
Cash and cash equivalents		297,678	385,683
		723,950	805,943
Current liabilities			
Lease liabilities		7,400	11,779
Trade and other payables	16	68,510	86,888
Contract liabilities	17	92,608	88,980
Amounts due to related parties	23	16,066	16,787
		184,584	204,434
Net current assets		539,366	601,509
Total assets less current liabilities		892,223	933,144

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	NOTES	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Capital and reserves			
Share capital	18	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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2026

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Share capital	Share Premium	Capital reserves	Share-based payments reserves	Exchange reserve	Accumulated losses			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
			(Note)	(Note 19)					
Six months ended June 30, 2025 (unaudited)									
As at January 1, 2025	225,907	2,698,083	570,170	184,198	–	(2,737,814)	940,544	(5,574)	934,970
Profit/(loss) for the period	–	–	–	–	–	3,717	3,717	(70)	3,647
Currency translation differences	–	–	–	–	(47)	–	(47)	–	(47)
Recognition of share-based payment expenses (Note 19)	–	–	–	950	–	–	950	–	950
As at June 30, 2025	225,907	2,698,083	570,170	185,148	(47)	(2,734,097)	945,164	(5,644)	939,520
Six months ended June 30, 2026 (unaudited)									
As at January 1, 2026	225,907	2,698,083	570,170	190,771	(225)	(2,747,442)	937,264	(5,926)	931,338
Loss for the period	–	–	–	–	–	(43,575)	(43,575)	(245)	(43,820)
Currency translation differences	–	–	–	–	(207)	–	(207)	–	(207)
Recognition of share-based payment expenses (Note 19)	–	–	–	4,119	–	–	4,119	–	4,119
As at June 30, 2026	225,907	2,698,083	570,170	194,890	(432)	(2,791,017)	897,601	(6,171)	891,430

Note:

Capital reserves mainly represent 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.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
(Loss)/profit before tax	(43,820)	3,670
Adjustments for:		
Share of results of associates and joint ventures	980	783
Share-based payment expenses	4,119	950
Depreciation of property, plant and equipment	1,301	1,549
Amortisation of intangible assets	1,561	754
Depreciation of right-of-use assets	4,990	5,721
Finance costs	175	274
Finance income	(1,416)	–
Impairment losses under expected credit loss model, net of reversal	6,546	2,983
Foreign exchange loss	7,549	1,651
Impairment loss of property, plant and equipment and inventories	–	31
Loss on disposal of property, plant and equipment	37	–
Loss on early termination of leases	137	–
Fair value changes of financial assets at FVTPL	(17,405)	(5,396)
Operating cash flows before movements in working capital	(35,246)	12,970
(Increase)/decrease in inventories	(301)	88
Increase in trade and other receivables, deposits and prepayments	(5,270)	(107,953)
Increase in amounts due from related parties	(8,856)	(10,387)
Decrease in amounts due to related parties	(721)	(6,075)
(Increase)/decrease in contract costs	(388)	5,258
(Increase)/decrease in contract assets	(1,789)	14,192
Increase/(decrease) in contract liabilities	3,628	(9,082)
Decrease in trade and other payables	(18,378)	(3,834)
Net cash used in operations	(67,321)	(104,823)
Income taxes paid	–	(122)
NET CASH USED IN OPERATING ACTIVITIES	(67,321)	(104,945)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(2,706)	(668)
Purchases of intangible assets	(9,035)	(4,275)
Purchases of wealth management products	(130,000)	(385,000)
Redemption of wealth management products	130,066	425,000
Investments in financial assets	–	(30,000)
Repayment of a loan to an independent third party	2,000	–
Interest of term deposits, wealth management products and a loan to an independent third party	1,416	2,242
Placement of restricted bank deposits	(94)	(545)
Withdrawal of restricted bank deposits	656	401
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(7,697)	7,155
FINANCING ACTIVITIES		
Repayments of lease liabilities	(5,231)	(4,287)
CASH USED IN FINANCING ACTIVITIES	(5,231)	(4,287)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(80,249)	(102,077)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	385,683	443,899
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(7,756)	(1,698)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	297,678	340,124

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

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 No. 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 FinTech business, RegTech business, and CreditTech business in the PRC, as well as in meeting the needs of other enterprises. As at June 30, 2026, 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 Xiu’an**”) (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 (“**IASB**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, they should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2025 as set out in the 2025 annual report of the Company dated April 29, 2026, which have been prepared in accordance with IFRS Accounting Standards.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

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.

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

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

3. 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 FinTech business, RegTech business and CreditTech business, the Group’s business operates in one operating segment because most of the Group’s sales operate on the Group’s FinTech business, RegTech business and CreditTech business related know-hows and the corresponding products and/or services offered are delivered through same pool of resources. In addition, most of the Group’s products and/or services for various revenue types are deployed in a nearly identical way. Therefore, the Group’s chief operating decision maker, who has been identified as the Chief Executive Officer (the “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 all the Group’s revenue is derived from the PRC, no geographical information is presented.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

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. OTHER INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants	382	501
Tax refund (Note)	382	409
	764	910

Note: Tax refund is the withholding and payment of individual income tax and VAT additional deduction.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

6. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Impairment losses, net of reversal, recognised (reversed) on:		
– Trade receivables	6,706	2,090
– Other receivables	(44)	(31)
– Contract assets	(147)	783
– Amounts due from related parties	31	141
	6,546	2,983

7. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Exchange loss, net	(7,549)	(1,503)
Reversal of provision for litigation	–	1,633
Impairment loss of property, plant and equipment and inventory	–	(31)
Loss on early termination of lease	(137)	–
Loss on disposal of property, plant and equipment	(37)	–
	(7,723)	99

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

8. EXPENSES BY NATURES

	Six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (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 (Note 14) and RMB4,274,000, respectively.

9. FINANCE INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Interest income		
– Bank deposits	1,686	1,590
– Others	286	–
	1,972	1,590

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

10. INCOME TAX EXPENSES

Under the Law of the PRC on Enterprise Income Tax (the “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 Technology 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 the “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:

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

11. DIVIDENDS

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

12. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the profit or loss by the weighted-average number of ordinary shares outstanding during the six months ended June 30, 2026 and 2025. Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As the Group incurred net losses for the period ended June 30, 2026, the diluted potential ordinary shares were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted (loss)/earnings per share for the six months ended June 30, 2026 and 2025 are the same as basic (loss)/earnings per share of the respective periods.

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 (Unaudited)	2025 (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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

13. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	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, 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 (Audited)	354	4,655	21,302	16,859	1,387	44,557
Additions	–	279	2,378	49	–	2,706
Disposals	–	(638)	(98)	–	–	(736)
As at June 30, 2026 (Unaudited)	354	4,296	23,582	16,908	1,387	46,527
DEPRECIATION						
As at 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 (Audited)	276	4,038	17,601	16,083	94	38,092
Provided for the period	9	215	662	382	33	1,301
Eliminated upon disposals	–	(605)	(94)	–	–	(699)
As at June 30, 2026 (Unaudited)	285	3,648	18,169	16,465	127	38,694
CARRYING VALUES						
As at June 30, 2026 (Unaudited)	69	648	5,413	443	1,260	7,833
As at December 31, 2025 (Audited)	78	617	3,701	776	1,293	6,465

Right-of-use assets

The right-of-use assets decreased from RMB12,679,000 as of December 31, 2025 to RMB7,216,000 as of June 30, 2026, primarily due to depreciation for the period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

14. INTANGIBLE ASSETS

	Development project RMB'000	Software RMB'000	Patents RMB'000	Total RMB'000
COST				
As at January 1, 2025	4,063	3,427	7,767	15,257
Additions	9,532	—	—	9,532
As at December 31, 2025 (Audited)	13,595	3,427	7,767	24,789
Additions	9,035	—	—	9,035
As at June 30, 2026 (Unaudited)	22,630	3,427	7,767	33,824
AMORTISATION				
As at January 1, 2025	31	2,549	3,153	5,733
Charge for the year	890	356	742	1,988
As at December 31, 2025 (Audited)	921	2,905	3,895	7,721
Charge for the period	1,037	136	388	1,561
As at June 30, 2026 (Unaudited)	1,958	3,041	4,283	9,282
CARRYING VALUES				
As at June 30, 2026 (Unaudited)	20,672	386	3,484	24,542
As at December 31, 2025 (Audited)	12,674	522	3,872	17,068

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

15. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

15. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

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 (Audited)
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

Out of the past due balances of RMB99,246,000 (December 31, 2025: RMB75,546,000), RMB74,869,000 (December 31, 2025: RMB56,974,000) has been past due 90 days or more and is not considered as in default by considering the background of the debtors and historical payment arrangement as at June 30, 2026. 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 invoice date.

There is no significant concentration of credit risk with respect to customers receivables, as the Group has a large number of customers.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

16. TRADE AND OTHER PAYABLES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
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 (Audited)
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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

17. CONTRACT ASSETS AND CONTRACT LIABILITIES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Contract assets	37,903	36,114
Less: Allowance for credit losses	(6,417)	(6,564)
	31,486	29,550
Analysed as:		
Current	31,292	29,364
Non-current	194	186
Total	31,486	29,550
Contract liabilities	92,608	88,980

18. SHARE CAPITAL

Authorised and issued

	Number of ordinary shares '000	Number of ordinary shares with preferential rights '000	Nominal value of ordinary shares RMB'000
As at January 1, 2025, December 31, 2025 (Audited), January 1, 2026 (Audited) and June 30, 2026 (Unaudited)	225,907	—	225,907

Presented as:

	Share capital RMB'000
As at January 1, 2025, December 31, 2025 (Audited), January 1, 2026 (Audited) and June 30, 2026 (Unaudited)	225,907

Note:

A total of 135,064,706 domestic unlisted shares of the Company with par value of RMB1.00 per share were converted into H shares on December 18, 2025, and commenced listing on the Main Board of the Stock Exchange on December 19, 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

19. 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 Duoying, 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 shares of the Company to Ningbo Xiu'an, a company controlled by Ms. Chen Jie, at RMB1.23 per share.

The Group recognized these shares transactions as equity-settled share-based payments with no vesting conditions in recognition of Ms. Chen Jie's contribution to the Group.

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(有限合伙)), Tianjin Piaoying Technology Center (Limited Partnership) (天津票盈科技中心(有限合伙)), Tianjin Piaowang Technology Center (Limited Partnership) (天津票旺科技中心(有限合伙)), Tianjin Piaofu Technology Center (Limited Partnership) (天津票福科技中心(有限合伙)), Ningbo Xiu'an, Tianjin Piaoxiang Technology Center (Limited Partnership) (天津票享科技中心(有限合伙)), and Tianjin Piaohui Technology Center (Limited Partnership) (天津票匯科技中心(有限合伙)) (hereinafter collectively referred to as "**LLPs**"). As at June 30, 2026, the LLPs held 15.4587% in total of the shares of the Company (December 31, 2025: 15.4587%).

(b) 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 (the "**2020 SERs I**") or RMB2.51 (the "**2020 SERs II**") 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 (the "**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 recognized until the IPO becomes probable.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

19. SHARE-BASED PAYMENTS *(Continued)*

Share-based payments plans *(Continued)*

(b) 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 (the “**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:

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 of 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**”).

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 recognized in the year ended December 31, 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 the several employees failed to meet the service vesting condition by resign) 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 RMB10,956,000 was recognized 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

19. SHARE-BASED PAYMENTS (Continued)

Share-based payments plans (Continued)

(b) 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 resign) 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 recognized 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, 2025	5,664	15.85
Forfeited	(879)	15.49
Vested and exercised	(2,581)	16.26
As at December 31, 2025 (Audited)	2,204	15.52
Forfeited	(80)	14.83
Vested and exercised	(30)	15.00
As at June 30, 2026 (Unaudited)	2,094	15.68

The 2020 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:

	2020 SERs %
Discount rate	18.00
DLOM	11.00–23.00

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

19. SHARE-BASED PAYMENTS *(Continued)*

Share-based payments plans *(Continued)*

(c) The 2022 SERs Scheme

In 2022, pursuant to the 2022 SERs II, an 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 SER to eligible employees.

The following table discloses movements of the newly granted 2022 SERs.

	Number of 2022 SERs '000	Weighted-average grant date fair value RMB
As at January 1, 2025	4,833	17.85
Forfeited	(1,435)	17.43
Vested and exercised	(1,210)	18.21
As at December 31, 2025 (Audited)	2,188	17.92
Forfeited	(20)	17.74
As at June 30, 2026 (Unaudited)	2,168	17.98

The 2022 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:

	2022 SERs %
Discount rate	18.00
DLOM	19.00–21.00

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

19. SHARE-BASED PAYMENTS *(Continued)*

Share-based payments plans *(Continued)*

(d) The 2025 Share Incentive Scheme (the “2025 SIs”)

The 2025 SIs was approved and adopted by the Company on June 27, 2025. The purpose of the 2025 SIs is to promote a performance culture that is oriented towards value creation and fully incentivize senior management and other personnel of the Company. The grantees under the 2025 SIs are the senior management members and core employees of the Company. The grantees shall be proposed by the Remuneration and Appraisal Committee, and reviewed and approved by the Board or Incentive Scheme Administrator(s).

The 2025 SIs is backed by two sources – ESOP platforms and trust units. For the 2025 SIs (ESOP Platforms), 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 shares to be awarded will be satisfied by certain shares held by Tianjin Duoying and Ningbo Xiu'an. For the 2025 SIs (Trust Units), 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 Scheme) represented by the trust units of the trust administered by the trust administrator under the 2025 SIs (Trust Units) can be granted to the Grantees. The shares to be awarded will be satisfied by the shares to be acquired by the trust administrator through transactions on the secondary market as entrusted by the Company.

The purchase price of each restricted share underlying the 2025 SIs (ESOP Platforms) is RMB2.51 per share or the equivalent amount in Hong Kong dollars. For 2025 SIs (Trust Units), the purchase price is nil. 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. The 2025 SIs will be valid and effective for a period of ten years commencing on June 27, 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

19. SHARE-BASED PAYMENTS *(Continued)*

Share-based payments plans *(Continued)*

(d) The 2025 Share Incentive Scheme (the “2025 SIs”) *(Continued)*

Movements in number of restricted shares awarded under the 2025 SIs (ESOP Platforms):

For the year ended December 31, 2025:

Date of award	Vesting schedule	Fair value per share (Note) RMB	Granted during the year '000	Vesting during the year '000	Forfeited or lapsed during the year '000	At December 31 '000
July 29, 2025	25% on each of July 29, 2026, 2027, 2028 and 2029	13.96	4,750	–	(4,450)	300
November 29, 2025	25% on each of November 29, 2026, 2027, 2028 and 2029	12.05	480	–	–	480
December 4, 2025	25% on each of December 4, 2026, 2027, 2028 and 2029	11.67	30	–	–	30
			<u>5,260</u>	<u>–</u>	<u>(4,450)</u>	<u>810</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

19. SHARE-BASED PAYMENTS *(Continued)*

Share-based payments plans *(Continued)*

(d) The 2025 Share Incentive Scheme (the “2025 SIs”) *(Continued)*

For the six months ended June 30, 2026:

Date of award	Vesting schedule	Fair value per share (Note) RMB	At January 1 '000	Granted during the period '000	Vesting during the period '000	Forfeited or lapsed during the period '000	At June 30 '000
July 29, 2025	25% on each of July 29, 2026, 2027, 2028 and 2029	13.96	300	–	–	–	300
November 29, 2025	25% on each of November 29, 2026, 2027, 2028 and 2029	12.05	480	–	–	–	480
December 4, 2025	25% on each of December 4, 2026, 2027, 2028 and 2029	11.67	30	–	–	–	30
April 17, 2026	25% on each of April 17, 2027, 2028, 2029 and 2030	12.44	–	300	–	–	300
June 26, 2026	25% on each of June 26, 2027, 2028, 2029 and 2030	10.09	–	1,810	–	–	1,810
			810	2,110	–	–	2,920

Note:

The Group determines the fair value of restricted shares on the basis of the single-day closing price of the circulating shares on the date when the restricted shares are awarded, less the purchase price.

During the year ended December 31, 2025 and the six months ended June 30, 2026, no shares were acquired on the secondary market and no restricted shares were awarded under the 2025 SIs (Trust Units).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

19. SHARE-BASED PAYMENTS *(Continued)*

Share-based payments plans *(Continued)*

(e) Share-based payment expenses

The share-based payment expenses of RMB4,119,000 and RMB950,000, which include the total expenses of the 2020 SERs, 2022 SERs and 2025 SIs (ESOP Platforms), were recognized during the six months ended June 30, 2026 and 2025, respectively.

20. CONTINGENT LIABILITIES

As at June 30, 2026, the Group did not have any material contingent liability, guarantee or any litigation or claim of material importance.

21. COMMITMENTS

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Capital expenditure in respect of acquisition of equity interests in joint ventures and associates	21,615	38,596

The capital commitment mainly represents the outstanding capital injection commitments in certain investments in joint ventures and associates in accordance with the agreements entered with other shareholders, in proportion to the existing shareholdings. Such commitments can be nullified by agreements with all the shareholders involved.

As at June 30, 2026, the Group has entered into new leases of three to four years that are not yet commenced, the lease payments under which range from approximately RMB527,000 to RMB4,679,000 per annum over the lease terms.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

22. 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 it considers assumptions that market participants would use when pricing the asset or liability.

The level of fair value calculation is determined by the lowest level input that is significant in the overall calculation. As such, the significance of the input should be considered from an overall perspective in the calculation of fair value.

For Level 2 financial instruments, valuations are generally obtained from third party pricing services for identical or comparable assets, or through the use of valuation methodologies using observable market inputs, or recent quoted market prices. Valuation service providers typically gather, analyze and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, provide a theoretical quote on various securities.

For Level 3 financial instruments, prices are determined using valuation methodologies such as discounted cash flow models and other similar techniques. Determinations to classify fair value measurement within Level 3 of the valuation hierarchy are generally based on the significance of the unobservable factors to the overall fair value measurement.

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 June 30, 2026 (Unaudited)				
Assets:				
Financial assets at FVTPL	—	91,691	146,473	238,164
As at December 31, 2025 (Audited)				
Assets:				
Financial assets at FVTPL	—	90,736	152,028	242,764

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

Determination of fair value and fair value hierarchy *(Continued)*

The following summarises the fair values of major financial assets and liabilities to determine the valuation techniques and inputs used:

Financial assets/liabilities	Carrying amount as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)				
Wealth management products	91,691	90,736	Level 2	Discounted cash flow	N/A	N/A
Investments in associates or equity investments with preferential rights	93,513	78,041	Level 3	Income approach	Expected future cash flow	The more the cash flow, the higher the fair value
				Combination of Probability-weighted Return Method and 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	Level 3	Black-Scholes Model	Credit Spread	The higher the rate, the lower the fair value
Warrant	15,726	–	Level 3	Market approach (recent-transaction backsolve)	DLOM	The lower the DLOM, the higher the fair value
					Expected volatility	The lower the expected volatility, the higher the fair value

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

Determination of fair value and fair value hierarchy *(Continued)*

Financial assets/liabilities	Carrying amount as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	June 30, 2026	December 31, 2025				
	RMB'000 (Unaudited)	RMB'000 (Audited)				
Arrangement/right to receive additional shares at nominal consideration	4,007	3,733	Level 3	Income approach	Expected future cash flow	The more the cash flow, the higher the fair value
Unlisted equity investment	33,227	32,589	Level 3	Net asset value of underlying investments	DLOM	The lower the DLOM, the higher the fair value

During the six months ended June 30, 2026 and 2025, fair value changes arose from the financial assets classified within Level 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.

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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting end. During the period, there were no transfers among different levels of fair values measurement.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

Determination of fair value and fair value hierarchy *(Continued)*

Reconciliation of Level 2 and Level 3 fair value measurements of financial assets and financial liabilities

	Wealth management products RMB'000	Investments in associates or equity investments with preferential rights, investment in convertible loan, warrant, the 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)
Changes in fair value	6,172	15,018
As at December 31, 2025 (Audited)	90,736	152,028
Purchase	130,000	–
Redemption	(130,066)	–
Changes in fair value	1,021	16,384
Transfer to investments in associates (Note)	–	(21,939)
As at June 30, 2026 (Unaudited)	91,691	146,473

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

Determination of fair value and fair value hierarchy *(Continued)*

Reconciliation of Level 2 and Level 3 fair value measurements of financial assets and financial liabilities *(Continued)*

Note: Overseas (Wuxi) Technology Co., Ltd. ("**Baiwangyun Overseas**"), Huanqiu Zhilian (Wuxi) Digital Technology Company Limited (the controlling shareholder of Baiwangyun Overseas) ("**Huanqiu Zhilian**") and Mr. Yang Zhengdao (the ultimate beneficial owner of Baiwangyun Overseas), the Group exercised its right to convert the convertible loan of RMB37,665,000, including the principal of RMB35,000,000 and cumulative fair value changes of RMB2,665,000, into a 35% equity interest in Baiwangyun Overseas, a repurchase option entitling the Group to require Baiwangyun 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 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. (the "**Warrant**").

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 approximate their fair values at June 30, 2026 and December 31, 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

23. 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.

Name of related parties	Relationship with the Group
Guomai Xin'an Technology Co., Ltd. (北京國脈信安科技有限公司) ("Guomai Xin'an") (Note 1)	Significantly influenced by the controlling shareholder
Fosun International Limited and its subsidiaries (“復星國際有限公司及其子公司”) ("Fosun") (Note 1)	Non-controlling shareholder with significant influence
Boya Zhongke (Beijing) Information Technology Co., Ltd. (博雅中科(北京)信息技術有限公司) ("Boya Zhongke") (Note 1)	Associate
Guangxi United Credit Reporting Co., Ltd. (廣西聯合徵信有限公司) ("Guangxi United") (Note 1)	Associate
Shanghai Xinghan Information Technology Co., Ltd. (上海星漢信息技術有限公司) ("Shanghai Xinghan") (Note 1)	Associate
Neimenggu Baiwangyun Digital Technology Services Co., Ltd. (內蒙古百望雲數字技術服務有限公司) ("Neimenggu Baiwangyun") (Note 1)	Associate
Wuxi Enterprise Credit Reporting Co., Ltd. (無錫企業徵信有限公司) ("Wuxi Enterprise Credit") (Note 1)	Associate
Baiwangyun Overseas (百望雲海外(無錫)科技有限公司) (Note 1)	Associate
Yunnan Baiwangyun Digital Technology Co., Ltd. (雲南百望雲數字科技有限公司) ("Yunnan Baiwangyun") (Note 1)	Joint venture
Henan Baiwangyun Digital Technology Co., Ltd. (河南百望雲數字科技有限公司) ("Henan Baiwangyun") (Note 1)	Joint venture
Guangdong Baiwangyun Technology Co., Ltd. (廣東百望雲科技有限公司) ("Guangdong Baiwangyun") (Note 1)	Joint venture

Note 1: The English name of the companies established in the PRC are for reference only and have not been registered.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

23. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

The Group has the following transactions with related parties:

Name of related parties	Nature of transactions	Six months ended June 30,	
		2026	2025
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Fosun	Provision of services	29	5
Guangxi United	Provision of services	14,455	29,418
Yunnan Baiwangyun	Provision of services	212	217
Henan Baiwangyun	Provision of services	143	126
Shanghai Xinghan	Provision of services	5	6
Guomai Xin'an	Provision of services	–	354
Guangdong Baiwangyun	Provision of services	386	2
Neimenggu Baiwangyun	Provision of services	57	54
Wuxi Enterprise Credit	Provision of services	37,919	12,563
Others	Provision of services	446	582
Total		53,652	43,327
Guomai Xin'an	Purchases of services and products	505	849
Shanghai Xinghan	Purchases of services and products	–	904
Yunnan Baiwangyun	Purchases of services and products	67	–
Guangdong Baiwangyun	Purchases of services and products	30	288
Henan Baiwangyun	Purchases of services and products	390	2,019
Neimenggu Baiwangyun	Purchases of services and products	1,937	535
Others	Purchases of services and products	229	263
Total		3,158	4,858

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

23. RELATED PARTY TRANSACTIONS *(Continued)*

Other transactions with related parties

As disclosed in Note 22, on February 6, 2026, the Group converted its convertible loan with a principal amount of RMB35,000,000 into a 35% equity interest in Baiwangyun Overseas, the Repurchase Option and the Warrant, pursuant to a capital increase agreement dated December 31, 2025 entered into among the Company, Huanqiu Zhilian, Baiwangyun Overseas and Mr. Yang Zhengdao. As Mr. Yang Zhengdao, the ultimate beneficial owner of Baiwangyun Overseas, had served as a director of a subsidiary of the Company within the 12 months preceding the date of the agreement, the transaction constitutes a connected transaction under Chapter 14A of the Listing Rules.

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.

Balances with related parties

At the end of each reporting period, the Group has the following significant balances with related parties:

Amounts due from related parties

Nature of balances with related parties	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Trade receivables	18,803	20,773
Prepayments	377	1,572
Contract assets	20,177	8,188
Total	39,357	30,533

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

23. RELATED PARTY TRANSACTIONS (Continued)

Amounts due from related parties (Continued)

Name of related parties	Nature of transactions (Note)	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Wuxi Enterprise Credit	Trade	18,666	15,945
Guangxi United	Trade	20,168	12,003
Others	Trade	523	2,585
Total		39,357	30,533

The maximum amount outstanding as at June 30, 2026 and December 31, 2025 in respect of the amounts due from a director and companies controlled by a director is RMB3,000.

Amounts due to related parties

Nature of balances with related parties	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Trade payables	4,014	3,891
Contract liabilities	12,052	12,896
Total	16,066	16,787

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

23. RELATED PARTY TRANSACTIONS (Continued)

Amounts due to related parties (Continued)

Name of related parties	Nature of transactions (Note)	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Guangxi United	Trade	7,497	9,548
Wuxi Enterprise Credit	Trade	3,079	2,122
Neimenggu Baiwangyun	Trade	2,226	843
Guangdong Baiwangyun	Trade	639	895
Guomai Xin'an	Trade	332	799
Henan Baiwangyun	Trade	187	571
Yunnan Baiwangyun	Trade	293	322
Boya Zhongke	Trade	281	281
Others	Trade	1,532	1,406
Total		16,066	16,787

Note:

Balances of trade nature are unsecured and interest-free.

Key management personnel compensation

The remuneration of Directors and other members of key management personnel during the six months ended June 30, 2026 and 2025 was as follows:

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Salaries and bonuses	3,904	6,013
Share-based payments	125	243
Welfare, medical and other benefits	432	638
Total	4,461	6,894

The remuneration of key management personnel is determined by reference to the performance of individuals and market trends.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

24. SUBSEQUENT EVENTS

New banking facilities and borrowings

Subsequent to June 30, 2026, the Group obtained new banking facilities of RMB150,000,000 from two commercial banks in the PRC of which RMB15,000,000 had been drawn down as at August 31, 2026.

DEFINITION

"2024 AGM"	the 2024 annual general meeting of the Company held on June 27, 2025
"2025 Share Incentive Schemes"	2025 Share Incentive Scheme (ESOP Platforms) and 2025 Share Incentive Scheme (Trust Units)
"2025 Share Incentive Scheme (ESOP Platforms)"	the Company's share incentive scheme approved and adopted by the Shareholders at the 2024 AGM, details of which are set out in Appendix IIA to the circular of the Company dated June 3, 2025
"2025 Share Incentive Scheme (Trust Units)"	the Company's share incentive scheme approved and adopted by the Shareholders at the 2024 AGM, details of which are set out in Appendix IIB to the circular of the Company dated June 3, 2025
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of directors of our 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
"China," or "PRC"	People's Republic of China, excluding, for the purposes of this report and for geographical reference only and except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company" or "our Company"	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
"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)"	the director(s) of our Company
"Group," "our Group," "we" or "us"	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
"Global Offering"	the Hong Kong public offering and the international offering of the Company

DEFINITION

"Grantee(s)"	individual(s) who, in accordance with the rules governing the operation of the 2025 Share Incentive Scheme (ESOP Platforms) and the 2025 Share Incentive Scheme (Trust Units) as well as the implementation procedures (as amended from time to time) is/are granted the Restricted Shares
"H Share(s)"	the overseas listed foreign invested ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and listed on the Stock Exchange
"HKD" or "HK\$"	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
"Incentive Scheme Administrator(s)"	the Board committee(s) and/or person(s) delegated by the Board to administer matters in relation to the relevant 2025 Share Incentive Scheme
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Date"	July 9, 2024, being the date on which the H Shares were listed on the Main Board of 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
"Lock-up Period"	the period during which the Restricted Shares shall not be disposed of on the secondary market or by other means in accordance with the requirements of the relevant laws, regulations and rules, the relevant rules governing the operation of the 2025 Share Incentive Schemes as well as the implementation procedures, the terms of the relevant grant agreement and other relevant documents
"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 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
“Prospectus”	the prospectus of the Company dated June 28, 2024
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Reporting Period”	six months from January 1, 2026 to June 30, 2026
“Restricted Share(s)”	a certain number of Share(s) represented by the proprietary interest in the Shareholding Platform(s) under the 2025 Share Incentive Scheme (ESOP Platforms) or the trust units of the trust administered by the Trust Administrator under the 2025 Share Incentive Scheme (Trust Units) (as the case may be) and granted by the Company to the Grantee(s)
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each, all of which are H Shares
“Shareholder(s)”	holder(s) of our Share(s)
“Shareholding Platforms”	the share incentive platforms designated under the 2025 Share Incentive Scheme (ESOP Platforms), including Tianjin Duoying, Ningbo Xiu’an and their upper-level shareholding platforms (including Tianjin Piaoying Technology Center (Limited Partnership) (天津票盈科技中心(有限合夥)), Tianjin Shuitong Technology Center (Limited Partnership) (天津稅通科技中心(有限合夥)), Tianjin Piaofu Technology Center (Limited Partnership) (天津票福科技中心(有限合夥)), Tianjin Piaowang Technology Center (Limited Partnership) (天津票旺科技中心(有限合夥)), Tianjin Piaoxiang Technology Center (Limited Partnership) (天津票享科技中心(有限合夥)), Tianjin Piaohui Technology Center (Limited Partnership) (天津票匯科技中心(有限合夥)))
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITION

"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Supervisor(s)"	the supervisor(s) of our Company
"Tianjin Duoying"	Tianjin Duoying Technology Center (Limited Partnership) (天津多盈科技中心(有限合伙)), 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 Shareholders
"Tianjin Piaoying"	Tianjin Piaoying Technology Center (Limited Partnership) (天津票盈科技中心(有限合伙))
"Trust"	the trust established for the purpose of the 2025 Share Incentive Scheme (Trust Units)
"Trust Administrator"	a qualified trust administrator to be engaged and entrusted by the Board as the trustee of the 2025 Share Incentive Scheme (Trust Units)
"Trust Unit(s)"	unit(s) of beneficial rights under the Trust as granted to the Grantees by the Board and/or the Delegatee(s) under the 2025 Share Incentive Scheme (Trust Units)
"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
"Unlocking"	the Shares held by the Grantee may no longer be subject to the Lock-up Period and could be transferred in the secondary market or by other means in accordance with the respective 2025 Share Incentive Scheme
"%"	per cent