

# 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



## 2024 Annual Report

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Ms. Chen Jie (*Chairlady*)

Mr. Fu Yingbo

Mr. Zou Yan

Ms. Jin Xin

### Non-executive Directors

Mr. Huang Miao

Mr. Diao Juanhuan

### Independent Non-executive Directors

Mr. Tian Lixin

Dr. Wu Changhai

Dr. Song Hua

Mr. Ng Kwok Yin

## SUPERVISORS

Mr. Li Yunfeng

Ms. Shi Haixia

Mr. Luo Wenhong

## AUDIT COMMITTEE

Mr. Ng Kwok Yin (*Chairman*)

Mr. Tian Lixin

Dr. Song Hua

## REMUNERATION AND APPRAISAL COMMITTEE

Dr. Wu Changhai (*Chairman*)

Mr. Fu Yingbo

Mr. Ng Kwok Yin

## NOMINATION COMMITTEE

Ms. Chen Jie (*Chairlady*)

Dr. Song Hua

Mr. Tian Lixin

## JOINT COMPANY SECRETARIES

Mr. Zheng Tianhao

Mr. Chiu Ming King

## H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shop 1712–1716, 17th Floor

Hopewell Centre

183 Queen's Road East, Wan Chai

Hong Kong

## AUTHORIZED REPRESENTATIVES

Ms. Chen Jie

Mr. Zheng Tianhao

## AUDITOR

Deloitte Touche Tohmatsu

*Certified Public Accountants*

*Registered Public Interest Entity Auditors*

35/F One Pacific Place

88 Queensway

Hong Kong

## COMPLIANCE ADVISOR

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## CORPORATE INFORMATION

### REGISTERED OFFICE IN THE PRC

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Beijing  
PRC

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### HONG KONG LEGAL ADVISER

Han Kun Law Offices LLP  
Rooms 4301–10, 43/F, Gloucester Tower  
The Landmark, 15 Queen's Road Central  
Hong Kong

### COMPANY'S WEBSITE

[www.baiwang.com](http://www.baiwang.com)

### PRINCIPAL BANKS

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

### STOCK SHORT NAME

BAIWANG CO

### STOCK CODE

6657

# CHAIRLADY'S STATEMENT

Dear Shareholders,

As global enterprises accelerate their migration into the AI 2.0 era, Baiwang has successfully been listed on the Main Board of the Stock Exchange and is approaching the milestone of its 10th anniversary. Standing at the strategic turning point of the digital economy revolution, Baiwang has anchored its strategy in invoice digitization and positioned electronic invoices as the minimum units of transactions. By doing so, we have built up a tripartite flywheel featuring “digital transaction documents – scenario-based inclusive finance – global data intelligence”, pioneering the transformation from a financial & tax digitalization digitalization service provider to a “broker” of data intelligence infrastructure. In 2024, driven by our core engine of “Data Elements × AI Agents”, we achieved dual breakthroughs in enhancing operational quality and building technological barriers. We present our key progress updates and strategic blueprint to you as follows:

## I. Structural Optimization of Operational Quality

We achieved systematic improvements in operational efficiency through “Focus Strategies + AI Transformation”.

1. At the core infrastructure layer, we realized dual enhancements in brand influence and sales capabilities: the number of the Company's conglomerate customers grew from 2,051 to 2,664, representing a year-on-year increase of 29.9%; the number of the Company's micro, small and medium-sized enterprise customers expanded from 23.9 million to 28.4 million, representing a year-on-year increase of 18.8%; and cumulative number of tax identification numbers served by us surged from 47.3 million to 85.7 million, representing a year-on-year increase of 81.2%. The cumulative number of transactions served by us was 20.3 billion, and the cumulative transaction volume of invoices was RMB953 trillion. Powered by invoice data, our inclusive financial technology services has now covered 3.6 million micro and small-sized enterprises, with the grant of a cumulative credit exceeding RMB600 billion.
2. We achieved dual transformations of gross profit margin expansion and operating loss reduction with proactive business planning and layout: In 2024, the revenue generated by our risk management services with high gross profit was RMB160 million, representing a year-on-year increase of 11.7%, whose contribution to the total revenue increased from 19.9% in 2023 to 24.1%. The relevant gross profit margin was 75.1%. In addition, our strategic investments in the government digital transformation projects impacted our certain results of operations in 2024. Excluding these strategic investments, our gross profit margin increased by 2.3 percentage points, and adjusted net loss narrowed by 10.5% as compared to 2023.
3. We built efficiency and technological barriers for the business transformation of the Company by balancing cost reduction and efficiency improvement and investment in the research and development of AI technology: On the one hand through, organizational restructuring and process forging our refined operation and digital management was comprehensively enhanced. The aggregated sales expenses and administrative expenses deducting the expenses in relation to share-based payments and severance compensation decreased by RMB8.5 million compared to 2023; On the other hand, our investment in the research and development deducting the expenses in relation to share-based payments increased by RMB4.2 million compared to 2023. Moreover, RMB10.9 million out of our investment in research and development during 2024 was allocated to the research and development of AI technology.

## CHAIRMAN'S STATEMENT

### II. Constructing New Growth in Intelligent Agents through Strategic Upgrade of Data Intelligence

Focusing on the “Open-Source Large Models + Vertical Scenarios” and leveraging Data Intelligence, we have constructed differentiated intelligent agent matrices:

1. The “Invoice Processing Intelligent Agent”: supporting cross-lingual analysis of 214 global and regional invoice formats, enabling multimodal data structuring analysis within seconds with an accuracy of 99.97%.
2. The “Enterprise Compliance Intelligent Agent”: integrating 18 dimensions of external data sources to achieve the risk monitoring throughout the corporate transactions, which significantly enhances compliance efficiency for enterprises.
3. The “Financial Marketing Intelligent Agent” and “Financial Risk Control Intelligent Agent”: built on a commercial cognitive graph spanning 147 industrial chains, over 1 million supply chains, and over 3 billion transaction pairs. By combining domain data injection + individual data augmentation, we developed vertical large models, and with the MCP standards, established financial marketing intelligent agents that cover the entire scenarios of “offline customer acquisition – telemarketing – advertising placement”, as well as financial risk control intelligent agents that cover the entire cycle of “pre-loan credit authorization – in-loan monitoring – post-loan disposal”. As of today, we have achieved, the digitalization and intelligent transformation and upgrade of 140 financial institutions.

### III. Strategic Breakthroughs in Global Expansion

We exported the “CaaS (compliance-as-a-service) + DaaS (data-as-a-service) + Intelligent Agents” model, which has been successfully validated in China, to emerging markets:

1. Architectural deployment: In November 2024, we invested in Baiwangyun Overseas (Wuxi) Technology Company Limited (百望雲海外(無錫)科技有限公司) in the form of convertible bonds, and established a wholly-owned subsidiary in Hong Kong as Baiwang's global headquarter.
2. Commercial validation: Targeting the opportunities in government fiscal system construction across the countries with VAT-based tax regimes, we have replicated the leading data-driven tax governance mode from China in the key regions including Southeast Asia, Africa, South America, and the Middle East. Such deployment marks the initial implementation of our globalization strategy.

## CHAIRMAN'S STATEMENT

Just as ERP systems redefined enterprise processes in the 1990s, we are currently at the dawn of the “Data Intelligence Operating System” revolution. We will remain steadfast in amplifying the threefold value of data elements – creating basic value through the intelligent invoice system (Value Creation), realizing the value exchange through the data circulation platform (Value Exchange), and ultimately achieving strategic value through the decision-making intelligent system (Value Revolution).

At the dawn of our next decade, we understand better than ever about our historical position: to become the “data alchemists” of the digital economy era, and to convert the silent bytes into gold that propels the advancement of commercial civilization. This is not merely a business commitment but a response to the era’s call for building a digital China.

**Baiwang Co., Ltd.**

**Chen Jie**

*Chairlady*

March 31, 2025

## RESULTS HIGHLIGHTS

	As of/for the year ended December 31,			
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	453,763	525,765	712,996	<b>659,212</b>
Gross profit	216,163	214,290	282,031	<b>263,423</b>
Operating loss	(198,148)	(112,350)	(305,106)	<b>(202,818)</b>
Loss and total comprehensive expense for the year	(448,373)	(156,224)	(359,290)	<b>(501,316)</b>
Adjusted net loss (non-IFRS measure) <sup>(1)</sup>	(16,739)	(70,295)	(83,412)	<b>(116,034)</b>
Total assets	1,325,859	1,260,717	1,151,869	<b>1,215,931</b>
Total liabilities	2,413,561	2,494,174	2,553,552	<b>280,961</b>
Total equity/(deficits)	(1,087,702)	(1,233,457)	(1,401,683)	<b>934,970</b>
Net current assets/(liabilities)	510,729	(1,545,433)	(1,593,900)	<b>665,808</b>

Note:

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



## MILESTONE EVENTS

The following table illustrates our major business milestones:

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

## MILESTONE EVENTS

- |      |  |
|------|--|
| 2022 | <p>We were named as a “Beijing Specialized, Sophisticated, Unique and New ‘Little Giant’ Enterprise (北京市專精特新 “小巨人” 企業)” by Beijing Municipal Bureau of Economy and Information Technology (北京市經濟和信息化局) in March</p> <p>We won the bidding for the contract of the SAT’s pilot project of establishment and application of tax blockchain infrastructure platform jointly with other collaborators in September</p> |
| 2023 | <p>We were named as a “China and Zhongguancun Unicorn Company (中國暨中關村獨角獸企業)” by Great Wall Enterprise Institute (北京長城企業戰略研究所) for the sixth consecutive year</p>   |
| 2024 | <p>In July, we were successfully listed on the Stock Exchange, with our Shares becoming the “first stock in tax digitalization solutions” on the Stock Exchange</p>  |
| 2025 | <p>In February, we signed a cooperation agreement with the National Information Center (國家信息中心) to build the national public data resource registration platform, launching our “Data Intelligence” strategy</p>   |

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS OVERVIEW

As an enterprise digitalization solutions provider in China, we offer SaaS financial & tax digitalization and data-driven analytics services through our Baiwang Cloud platform. Additionally, with big data and artificial intelligence (“AI”) technologies at our core, we are dedicated to building a reliable super data intelligence system that integrates digital productivity into people’s work and daily lives. In 2024, despite the complex macroeconomic conditions and intensified market competition, the Company’s iterative business optimization achieved positive progress. Through the transformation to and continuous innovation in “Data Intelligence”, the Company facilitated the promotion and application of digital intelligence in the finance and tax digitalization and intelligent transformation of enterprises, and the risk control in financial marketing scenarios. Through the introduction of AI full stack tool chain, the Company has improved research and development efficiency through the optimization of personnel structure. More importantly, the Company has developed new data intelligence products and expanded new drivers for revenue. The intelligent agent matrices (“**Transaction Management Intelligent Agents, Operational Decision-making Intelligent Agents and Financial Business Intelligent Agents**”) we have proposed, which is based on high-quality data and real-life scenarios, enable our customers to further harness the potential of data and unlock the value of data in the AI era, driving the digitalization and intelligent transformation of enterprises into a new stage.

In addition, in 2024, the Company had invested significant resources in certain strategic government projects, which was of strategic significance to the digitalization and intelligent transformation of the state tax governance from “tax administration by invoices” model to “tax administration by digitalization” model in terms of digital tax collection. The Group’s collaboration with the State Information Center of the PRC and investments in research and development, as well as the Group’s continuous support for the construction and operation of the National Public Data Resource Registration Platform for the National Data Administration, reflect the Group’s active commitment to exploring new models and pathways for the marketization and value-exploration of data elements.

## CLOUD FINANCIAL & TAX DIGITALIZATION SOLUTIONS AND ON-PREMISES FINANCIAL & TAX DIGITALIZATION SOLUTIONS

Our cloud financial & tax digitalization solutions and on-premises financial & tax digitalization solutions offer tax invoice compliance management solutions, financial & tax management solutions, and supply chain collaboration solutions. Based on their specific needs, our customers can subscribe to these solutions individually or as a package. Our tax invoice compliance management solutions and financial & tax management solutions have been upgraded to be fully compatible with the use and management of digital invoices and e-invoices, enabling enterprises to digitize their tax invoice management, transaction and compliance management. On this basis, companies can improve operational efficiency, optimize tax management, effectively control expenses, and reduce costs. Our on-premises financial & tax digitalization solutions, delivered through our exclusive software product, integrate a wide range of self-developed programs and perform financial and tax management functions with industry-specific configurations installed on customers’ local devices.

## MANAGEMENT DISCUSSION AND ANALYSIS

Our cloud financial & tax digitalization solutions and on-premises financial & tax digitalization solutions demonstrated robust growth in 2024, which was reflected in various operating indicators. We regularly review these operating indicators to evaluate business performance and make strategic decisions. These key operating indicators reflect the core elements of the Company's business growth from the customer and market sides, and set the core foundation of the Company's financial & tax digitalization solutions.

	December 31, 2023	December 31, 2024	Growth in 2024	Growth rate in 2024
The number of tax identification numbers served by our cloud financial & tax digitalization solutions (in million)	47.3	85.7	38.4	81.2%
The number of VAT invoices issued through cloud solutions (in 100 million)	142.6	206.8	64.2	45.0%
Total transaction amount of VAT invoices issued through cloud solutions (in RMB trillion)	638.4	953.5	315.1	49.4%
The number of customers of our on-premises financial & tax digitalization solutions	2,051.0	2,664.0	613.0	29.9%
The number of non-paying users of our cloud financial & tax digitalization solutions (in million)	23.9	28.4	4.5	18.8%

## DATA-DRIVEN ANALYTICS SERVICES

Our data-driven analytics services mainly include digital precision marketing services and risk management services.

### Digital Precision Marketing Services

Our digital precision marketing services connect eligible potential users with suitable financial products and empower financial service providers to effectively identify, access and acquire users of financial products. In 2024, we optimized the marketing financial product portfolio and strategically reduced marketing efforts for financial products with low profit margins, which resulted in a decrease of 30.7% in the revenue from our digital precision marketing services from RMB210.2 million in 2023 to RMB145.8 million in 2024. The corresponding referral fees for marketing agents decreased from RMB193.4 million in 2023 to RMB142.6 million in 2024, representing a decrease of 26.3%.

### Risk Management Services

Our risk management services primarily comprise enterprise operation reporting services, user analytics services and risk analytics services.



## MANAGEMENT DISCUSSION AND ANALYSIS

Our revenue from risk management services increased by 11.7% from RMB142.2 million in 2023 to RMB158.9 million in 2024. In 2024, the gross profit margin for risk management services was 75.1%. Due to our strategic and proactive efforts in increasing the proportion of the revenue from risk management services with high profit margins, the proportion of the revenue from these services increased from 19.9% in 2023 to 24.1% in 2024.

Our enterprise operation reporting services enable financial service providers to develop comprehensive and meaningful understanding of relevant enterprises' operational performance and financial well-being as reflected in their digital transaction documents. The number of viewing requests fulfilled for enterprise operation reports increased from 17.5 million in 2023 to 23.1 million in 2024, representing an increase of 32.0%. The number of enterprises covered in the enterprise operation reports delivered increased from 2.6 million in 2023 to 3.6 million in 2024, representing an increase of 38.5%. 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.

### OUTLOOK

In 2025, committed to the transformation from an "electronic invoicing" pioneer into a leader in the "Data Intelligence" era, Baiwang will precisely anchor its strategic positioning and mission by the complete implementation of its "Data Intelligence" strategy. By deeply integrating AI and data technologies with the actual application scenarios of our existing customers, we will transform data from mere "resources" into concrete "digital productivity".

On the one hand, we will continuously upgrade our product and service systems to maintain the existing customers, improve service quality, reduce customer acquisition costs, and enhance revenue and profitability. On the other hand, we will increase investment in the research and development of technologies. Capitalizing on open-source large models such as DeepSeek, AI intelligent agents, blockchain and other technologies, we will develop Transaction Management Intelligent Agents, Operational Decision-making Intelligent Agents and Financial Business Intelligent Agents to optimize management for customers in areas such as transaction management, risk compliance, corporate decision-making, and financial services. For the financial scenarios of large-scale customers and the application of big data in supply chain and industrial chain analysis, we will advance the productization process of risk control models.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Upgrades of Existing Business

#### 1. Achieving a dual increase in the penetration rate and the average transaction values of digital invoices and e-invoices:

We will follow a three-dimensional path of “policy compliance-driven, ecological collaboration-infiltrated, and AI value-empowered approaches”. Under the backdrop of the full coverage of digital invoices and e-invoices and the wave of AI technology, we aim to achieve a dual increase in the market penetration rate and the average transaction value.

- **Compliance-driven:** In response to the three rigid demands of enterprises after the full implementation of digital invoices and e-invoices, namely, the replacement of invoice issuing systems, the archiving of electronic files and the management and control of tax risks, the Company will focus on following up with an integrated solution for the compliance in relation to digital invoices and e-invoices (including invoice issuing automation, file digitization, and risk early warning) to expand its revenue.
- **Ecological collaboration-infiltrated:** The Company will expand cooperation with ecological partners, especially SaaS partners in various vertical industries, partners in supplier relationship management (SRM) systems, and system integration service provider partners. Leveraging on the customer resources and in-depth industry knowledge of these partners, we will improve our market share, reduce the costs of customized development, and improve the profit margins for projects.
- **AI value-empowered:** Based on AI technology, the Company will enhance its ability to automatically generate codes to reduce the costs of product research and development. Based on the low-code platform, we will improve our capabilities of deploying automation and configurations to reduce delivery costs. Leveraging on the capabilities of large language models, we will improve customer experience in relation to the current financial and tax products and services, enhance the product competitiveness, and thus increase the average transaction value.

#### 2. Achieving an increase in the average transaction value of financial business and constructing a diversified revenue growth strategy

We will deeply cultivate core fields such as inclusive finance and digital finance, and customize AI and data-driven intelligent solutions (such as precise risk control and intelligent marketing) by industry, which enhances the added value of the services. In addition, the Company will actively participate in the reform of the market-oriented allocation of national data elements and the construction of relevant platforms to integrate data from multiple sources, develop intelligent agents for vertical applications and data element products (such as industry analysis models and prediction tools), and expand the subscription-based or scenario-based payment models. At the same time, we will also strengthen ecological cooperation and jointly build a data ecosystem with industry partners. Through cross-selling and resource sharing, we will cover the full-scenario needs of financial institutions, achieving an increase in the average transaction value of financial institution customers and diversified revenue growth.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Strategic Transformation of Data Intelligence

#### 1. Construction of intelligent agents for financial and tax digitalization and intelligence scenarios

While the existing cloud financial & tax digitalization solutions and on-premises financial & tax digitalization solutions businesses are developing steadily, we will introduce AI large model technology to construct a product matrix of Transaction Management Intelligent Agents in the vertical field of finance and taxation (such as invoice processing intelligent agents, and financial and tax risk intelligent agents). This intelligent agent matrix deeply integrates the capabilities of automated invoice processing and intelligent supervision of financial and tax risks, providing enterprises with intelligent financial and tax solutions covering the entire business process.

- Baiwang invoice processing intelligent agent is a cross-national electronic invoice compliance engine based on Baiwang invoice large model. It supports the identification of more than 200 types of invoice formats in major countries/regions around the world, enabling the structured analysis of multimodal data (such as paper documents, electronic files, voices, API messages, etc.) within seconds. The independently developed compliance verification system integrates an international financial and tax rule database with over 30,000 dynamically updated rules. It can intelligently match business scenarios to complete the determination of value-added tax rates, the application of cross-border tax regulations, and the compliance verification of invoice elements. At the output end, it realizes the "one-click conversion for multiple countries", and simultaneously generates digital invoices and e-invoices that meet the regulatory requirements of the target regions.
- Baiwang financial and tax risk intelligent agent, based on the knowledge graphs and AI large models, integrates external data sources from 18 dimensions, including industrial and commercial filings, judicial litigations, supply chain transactions, and financial reports of listed companies. It achieves the penetrating supervision of the entire transaction chain of enterprises. By dynamically monitoring more than 3,000 compliance indicators (such as early warnings for related enterprises, early warnings for price differences in related party transactions, deviations in the matching of input and output VAT, etc.), it can accurately identify 9 major categories of risk scenarios, such as falsified tradings, transfer pricing and tax declaration, and automatically generate solutions that include risk ratings, suggestions and legal basis.

#### 2. Construction of intelligent agents in financial digitalization and intelligence scenarios

Under the premise of the rapid growth of the existing risk management services with high profit margins, we will also leverage the capabilities of AI large models to develop a matrix of Financial Business Intelligent Agents (such as financial marketing intelligent agents and financial risk-control intelligent agents) for customers such as banks and Internet finance institutions, continuously improving the end-to-end service and product capabilities of financial business, and creating greater value for financial customers.

## MANAGEMENT DISCUSSION AND ANALYSIS

- Baiwang financial marketing intelligent agent can engage customers from multiple sources such as account managers, channel advertisements, and partners. By intelligently identifying and analyzing information such as images and audios, and combining multi-data dimensions, it can analyze and generate various enterprise profiles. Through model training, it can intelligently match and optimize financial products in multiple scenarios, and automatically generate the corresponding reports and suggestions. It iterates the customer-profile rules of different financial products, recommend different marketing methods for the identification of target customer groups, or directly trigger the outbound calls of AI account managers to complete the marketing process. It will continuously optimize the intelligent matching degree, accuracy, and conversion rate during the operation of the marketing intelligent agent.
- Baiwang financial risk-control intelligent agent, through different customer sources and different profile analysis, comprehensively analyzes multi-dimensional data information of customers, and makes adaptive analytical decisions. It conducts incremental learning through online multi-model learning capabilities to help improve the process efficiency of financial products and risk control strategies, and to enhance the discrimination degree between good and bad samples of the model. In the continuous optimization and iteration of products and models, such intelligent agent helps various financial products to more accurately identify and adapt to target customer groups, and achieve predictive risk prevention. By accumulating more samples, it drives the autonomous learning and training of the model. The financial risk-control intelligent agent can achieve full-process dynamic monitoring. Its core is to realize the transformation of financial risk control from a passive tool to an active assistant through in-depth interaction and optimization, to simplify the complex risk analysis process into intuitive data presentation, to make the decision-making process transparent and reliable, to help banks reduce the default rate, and at the same time to guide enterprises in optimizing their financial structures.

### Expansion in Overseas Markets

We are also very optimistic about the prospects for overseas market expansion, especially in countries and regions with a value-added tax system, such as Southeast Asia, Africa, South America, and the Middle East. In November 2024, we invested in Baiwangyun Overseas (Wuxi) Technology Company Limited (百望雲海外(無錫)科技有限公司) in the form of convertible bonds, and established a wholly-owned subsidiary in Hong Kong with the aim to explore the opportunities in overseas markets for financial and tax digitalization and data factors, to contribute to the growth of our overall operating revenue and to strengthen the international impact of our brand.

### FINANCIAL REVIEW

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue

Our revenue for the year ended December 31, 2024 was RMB659.2 million, as compared with RMB713.0 million for the year ended December 31, 2023. 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.

	Year ended December 31,			
	2024		2023	
	Percentage of total revenue		Percentage of total revenue	
	RMB'000	(%)	RMB'000	(%)
Cloud financial & tax digitalization solutions	208,901	31.7	219,539	30.8
Data-driven analytics services	304,674	46.2	352,425	49.4
– Digital precision marketing services	145,758	22.1	210,187	29.5
– Risk management services	158,916	24.1	142,238	19.9
On-premises financial & tax digitalization solutions	144,990	22.0	138,132	19.4
Others	647	0.1	2,900	0.4
<b>Total</b>	<b>659,212</b>	<b>100.0</b>	<b>712,996</b>	<b>100.0</b>

- Cloud financial & tax digitalization solutions.** Our cloud financial & tax compliance solutions comprise tax invoice compliance management solutions, financial and tax management solutions and supply chain collaboration solutions, which can be subscribed separately or in combination. Our revenue generated from cloud financial & tax digitalization solutions decreased by 4.8% from RMB219.5 million for the year ended December 31, 2023 to RMB208.9 million for the year ended December 31, 2024, primarily due to (i) more market players involved in the financial and tax digitalization market as the digital invoice reform continued to develop; and (ii) the decrease in the average price of e-commerce platform-based invoice services because of the intense market competition.
- Data-driven analytics services.** Our data-driven analytics services primarily comprise digital precision marketing services and risk management services. Our revenue generated from data-driven analytics services decreased by 13.5% from RMB352.4 million for the year ended December 31, 2023 to RMB304.7 million for the year ended December 31, 2024. In 2024, we optimized the portfolio of marketed products, by strategically reducing the marketing efforts for low-margin digital precision marketing services and proactively increasing the revenue share of high-margin risk management services. As a result of this strategy, the revenue from our digital precision marketing services and the overall revenue from our data-driven analytics services decreased.

## MANAGEMENT DISCUSSION AND ANALYSIS

- *On-premises financial & tax digitalization solutions.* Revenue generated from on-premises financial & tax digitalization solutions primarily represented service fees generated by software license fees for customers to access and use our solutions, implementation and maintenance service fees, and hardware equipment purchase fees. Our revenue generated from on-premises financial & tax digitalization solutions increased by 5.0% from RMB138.1 million for the year ended December 31, 2023 to RMB145.0 million for the year ended December 31, 2024, primarily because more projects were completed in 2024, which resulted in an increase in solution deliveries.
- *Other services.* We recorded revenue generated from other services of RMB0.6 million for the year ended December 31, 2024. Other services primarily include financial and tax training services.

### Cost of sales

Our cost of sales decreased by 8.2% from RMB431.0 million for the year ended December 31, 2023 to RMB395.8 million for the year ended December 31, 2024. 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.

	Year ended December 31,			
	2024	2023	Percentage of total cost of sales	Percentage of total cost of sales
	RMB'000	RMB'000	(%)	(%)
Cloud financial & tax digitalization solutions	99,798	99,544	25.2	23.1
Data-driven analytics services	184,136	227,838	46.5	52.9
– Digital precision marketing services	144,509	195,445	36.5	45.4
– Risk management services	39,627	32,393	10.0	7.5
On-premises financial & tax digitalization solutions	110,816	100,999	28.0	23.4
Others	1,039	2,584	0.3	0.6
<b>Total</b>	<b>395,789</b>	<b>430,965</b>	<b>100.0</b>	<b>100.0</b>

- *Cloud financial & tax digitalization solutions.* While there was a decrease in our revenue generated from cloud financial & tax digitalization solutions for year ended December 31, 2024, our cost of sales relating to cloud financial & tax digitalization solutions for such year was RMB99.8 million, which remained relatively stable as compared to that for the year ended December 31, 2023 in the amount of RMB99.5 million, primarily because intensified market competition has led to a decline in the average price of e-commerce platform invoice services in cloud financial & tax digitalization solutions.

## MANAGEMENT DISCUSSION AND ANALYSIS

- *Data-driven analytics services.* Our cost of sales relating to data-driven analytics services decreased by 19.2% from RMB227.8 million to RMB184.1 million, primarily due to our efforts on optimization of our products portfolio and the scaling-down of digital precision marketing services, resulting in lower costs for referral fees.
- *On-premises financial & tax digitalization solutions.* Our cost of sales relating to on-premises financial & tax digitalization solutions increased by 9.7% from RMB101.0 million for the year ended December 31, 2023 to RMB110.8 million, primarily due to the completion of more projects in 2024, resulting in an increase in the number of solutions delivered and therefore an increase in costs.
- *Other services.* Our cost of sales relating to other services was RMB1.0 million.

### Gross profit and gross profit margin

Our gross profit decreased by 6.6% from RMB282.0 million for the year ended December 31, 2023 to RMB263.4 million for the year ended December 31, 2024. The gross profit margin for the year ended December 31, 2024 was 40.0%, as compared with 39.6% for the year ended December 31, 2023. The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the periods indicated.

	Year ended December 31, 2024		2023	
	Gross profit margin		Gross profit margin	
	RMB'000	(%)	RMB'000	(%)
Cloud financial & tax digitalization solutions	109,103	52.2	119,995	54.7
Data-driven analytics services	120,538	39.6	124,587	35.4
– Digital precision marketing services	1,249	0.9	14,742	7.0
– Risk management services	119,289	75.1	109,845	77.2
On-premises financial & tax digitalization solutions	34,174	23.6	37,133	26.9
Others	(392)	(60.6)	316	10.9
<b>Total</b>	<b>263,423</b>	<b>40.0</b>	<b>282,031</b>	<b>39.6</b>

### Other income

We recorded other income of RMB5.4 million for the year ended December 31, 2024, as compared with RMB4.0 million for the year ended December 31, 2023, primarily due to the increase in government grants.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Impairment losses under expected credit loss model, net of reversal

Our impairment losses under expected credit loss model, net of reversal, increased from RMB5.8 million for the year ended December 31, 2023 to RMB8.2 million for the year ended December 31, 2024, primarily due to the increase in credit loss incurred from outstanding receivables, taking into account the risk characteristics, supportable forecasts of future economic conditions and any recoveries.

### Other losses

We recorded other losses of RMB6.8 million for the year ended December 31, 2024, as compared with other losses of RMB1.4 million for the year ended December 31, 2023, which was primarily due to the increases in the donations and the provision for litigation.

### Research and development expenses

Our research and development expenses decreased by 4.3% from RMB188.0 million in 2023 to RMB179.9 million in 2024, primarily due to the decrease in the share-based compensation for the personnel engaged in research and development. In 2024, the share-based compensation for the personnel engaged in research and development was RMB18.1 million as compared with that of RMB30.4 million in 2023. Excluding this effect, our research and development expenses in 2024 was RMB161.8 million, an increase of RMB4.2 million as compared to RMB157.6 million in 2023. In 2024, RMB10.9 million of our research and development expenses was invested in the research and development of AI.

### Administrative expenses

Our administrative expenses decreased by 45.7% from RMB169.1 million for the year ended December 31, 2023 to RMB91.8 million for the year ended December 31, 2024, primarily due to the decrease in the share-based compensation for the personnel engaged in general and administrative functions.

### Distribution and selling expenses

Our distribution and selling expenses decreased by 21.0% from RMB202.8 million for the year ended December 31, 2023 to RMB160.2 million for the year ended December 31, 2024, primarily due to the decrease in the share-based compensation for the personnel engaged in distribution and selling functions.

### Share-based payment expenses

Our share-based payment expenses decreased by 71.8% from RMB191.1 million for the year ended December 31, 2023 to RMB54.0 million for the year ended December 31, 2024. Our share-based payment expenses primarily reflected the previous grant of share-based awards. The decrease was primarily because the Company granted equity incentives to two key management personnel and a consultant in 2023, whereas no such equity incentives were granted in the 2024.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Finance income

Our finance income decreased by 64.4% from RMB6.9 million for the year ended December 31, 2023 to RMB2.4 million for the year ended December 31, 2024, primarily due to the decrease in interest rates on bank deposits.

### Finance costs

We recorded the finance costs of RMB0.4 million for the year ended December 31, 2024, as compared to RMB1.0 million for the year ended December 31, 2023, primarily due to the decrease in interest expenses arising from the decline in the lease liabilities.

### Fair value changes of financial assets and liabilities at FVTPL

We recorded fair value losses of financial assets and liabilities at FVTPL of RMB294.8 million for the year ended December 31, 2024, as compared to RMB55.9 million for the year ended December 31, 2023. The increase was primarily due to the increase in fair value losses of financial liabilities at FVTPL as a result of the increase of the Company's valuation and the fair value of shares with preferential rights when the launching of the Company's Hong Kong initial public offering became certain in 2024. Upon the successful listing of the Company on July 9, 2024, all shares with preferential rights have been derecognized and credited as equity of the Group.

### Share of results of associates and joint ventures

We recorded share of losses of associates and joint ventures of RMB5.3 million for the year ended December 31, 2024, as compared to share of losses of RMB4.0 million for the year ended December 31, 2023, primarily because losses were recorded by certain associates and joint ventures in 2024.

### Income tax expense

Our income tax expense increased from RMB0.1 million for the year ended December 31, 2023 to RMB0.5 million for the year ended December 31, 2024.

### Loss for the year

We recorded a net loss of RMB501.3 million for the year ended December 31, 2024, as compared to RMB359.3 million for the year ended December 31, 2023, primarily due to the increase in the Company's fair value losses of financial liabilities at FVTPL as a result of the increase of the Company's valuation and the fair value of shares with preferential rights when the launching of the Company's Hong Kong initial public offering became certain in 2024. Upon the successful listing of the Company on July 9, 2024, all shares with preferential rights have been derecognized and credited as equity of the Group.

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

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use adjusted net loss (non-IFRS measure) as an additional financial measure. We define adjusted net loss (non-IFRS measure) as net loss for the year, adjusted by adding share-based payment expenses, listing expenses, and

## MANAGEMENT DISCUSSION AND ANALYSIS

fair value changes of financial liabilities at FVTPL relating to shares with preferential rights issued by us, which are non-cash or non-recurring in nature. Share-based payments are non-cash expenses arising from granting share economic rights in our share incentive platforms to senior management and employees. Listing expenses were incurred in connection with the Global Offering. Fair value changes of financial liabilities at FVTPL represent fair value changes relating to shares with preferential rights issued by us.

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

	Year ended December 31,	
	2024	2023
	(RMB in thousands)	
<b>Reconciliation of net loss to adjusted net loss (non-IFRS measure):</b>		
<b>Loss for the year</b>	<b>(501,316)</b>	<b>(359,290)</b>
<b>Add</b>		
Share-based payment expenses	53,977	191,064
Listing expenses	24,664	24,107
Fair value changes of financial liabilities at FVTPL – shares with preferential rights	306,641	60,707
<b>Adjusted net loss (non-IFRS measure)</b>	<b>(116,034)</b>	<b>(83,412)</b>

Our adjusted net loss for the year ended December 31, 2024 amounted to RMB116.0 million, as compared to RMB83.4 million for the year ended December 31, 2023. The increase in our adjusted net loss was primarily due to our strategic investments of resources in the government digital transformation projects in 2024, with the one-time losses from delivered projects and the amount of upfront investments such as preliminary research and development on systems in aggregate amounting to approximately RMB41.3 million. Excluding the impact of these strategic investments, the adjusted net loss for 2024 was RMB74.7 million, representing a decrease of 10.5% compared to the RMB83.4 million for the previous year. In addition, as part of our business optimization transformation, in 2024, additional RMB10.9 million of our research and development expenses was invested in the research and development of AI, which also had an impact on our operating results.

### Source of liquidity and working capital

In the year ended December 31, 2024, our primary use of cash was to fund our working capital and other recurring expenses. We financed our capital expenditures and working capital requirements primarily through cash flows generated from our operating activities, net proceeds from the Global Offering and other funds raise 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, and have followed a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved. Our current assets decreased from RMB958.3 million as of December 31, 2023 to RMB945.5 million as of December 31, 2024, primarily due to the decrease in prepaid listing expenses.

### Cash and cash equivalents

Our cash and cash equivalents primarily consisted of cash at banks. Our cash and cash equivalents increased from RMB335.0 million as of December 31, 2023 to RMB443.9 million as of December 31, 2024, primary resulted from receiving the Global Offering net proceeds.

In addition, our wealth management products in financial assets at FVTPL increased from RMB268.2 million as of December 31, 2023 to RMB277.9 million as of December 31, 2024, representing an increase of RMB9.7 million.

As of December 31, 2024, the aggregate amount of cash and cash equivalents, wealth management products in financial assets at FVTPL was RMB721.8 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 gain of RMB2.9 million for the year ended December 31, 2024.

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

### Interest rate risk

We are exposed to cash flow interest rate risk relating to our bank balances and cash with market interest rate and market interest rate-indexed wealth management products. Our income and operating cash flows are substantially independent of changes in market interest rates. We are exposed to fair value interest risk relating to our term deposits, lease liabilities. We manage our interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. As of December 31, 2024, we have not used any interest rate swaps to hedge our exposure to interest rate risk.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Price risk

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

### Credit risk

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

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

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

### Capital expenditure

For the year ended December 31, 2024, our total capital expenditure amounted to approximately RMB7.7 million, compared to RMB6.1 million for the year ended December 31, 2023, which primarily consisted of purchases of property, plant and equipment and intangible assets.

### Capital commitments

As of December 31, 2024 and 2023, we had capital commitments of RMB71.7 million and RMB13.9 million, respectively, primarily in connection with our capital expenditure in acquisition of equity interests in associates and joint ventures, preferential rights investments and lease commitment.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Indebtedness

Our indebtedness during the year ended December 31, 2024 consisted primarily of lease liabilities. During the year ended December 31, 2024, we obtained credit line of RMB100.0 million granted to us by a commercial bank in China, and we had not utilized such credit line as of the date of this annual report. Save as disclosed, during the year ended December 31, 2024, we did not maintain banking facilities, and we did not have utilized banking facilities. As of December 31, 2024, we recorded financial liabilities at FVTPL and lease liabilities of RMB3.0 million, as compared with RMB2,228.6 million as of December 31, 2023.

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

	As of December 31, 2024 RMB'000	As of December 31, 2023 RMB'000
Financial liabilities at FVTPL (current and non-current)	–	2,212,629
Lease liabilities (current and non-current)	<b>2,974</b>	15,990
<b>Total</b>	<b>2,974</b>	<b>2,228,619</b>

### Contingent liabilities

As of December 31, 2024, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against any member of the Group.

### Future plans for material investments and capital assets

Save as disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus and “Use of Proceeds from the Global Offering” in this annual report, as of December 31, 2024, we did not have detailed future plans for material investments or capital assets.

### Material acquisitions and disposals and significant investment

We did not have any material acquisitions and disposals and significant investments during the year ended December 31, 2024.

### Pledge of Assets

As of December 31, 2024, we did not pledge any of our assets.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Key financial indicators

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

	For the year ended December 31,	
	2024	2023
<b>Profitability ratios</b>		
Gross profit margin <sup>(1)</sup>	<b>40.0%</b>	39.6%
Net loss margin <sup>(2)</sup>	<b>76.0%</b>	50.4%
Revenue growth rate <sup>(3)</sup>	<b>(7.5%)</b>	35.6%
	As of December 31, 2024	As of December 31, 2023
<b>Liquidity ratios</b>		
Current ratio <sup>(4)</sup>	<b>3.4</b>	0.4
Gearing ratio <sup>(5)</sup>	<b>30.1%</b>	-182.2%
Trade receivable turnover days <sup>(6)</sup>	<b>35.7 days</b>	22.8 days
Trade payable turnover days <sup>(7)</sup>	<b>38.0 days</b>	30.4 days

- (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 margin is based on loss 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.
- (5) The calculation of gearing ratio is based on total debt divided by total equity and multiplied by 100%.
- (6) The calculation of trade receivables turnover days is based on the average of opening and closing balance of trade receivables for the relevant year, divided by the revenue for the same year, and multiplied by 365 days.
- (7) The calculation of trade payables turnover days is based on the average of opening and closing balance of trade payables for the relevant period, divided by the cost of sales for the same period, and multiplied by 365 days.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

### DIRECTORS

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

Name	Age	Position	Date of Appointment as Director
<b>Executive Directors</b>			
Ms. Chen Jie (陳杰)	50	Chairlady of our Board, general manager and executive Director	May 4, 2015
Mr. Fu Yingbo (付英波)	41	Executive Director, chief executive Director	November 15, 2024
Mr. Zou Yan (鄒岩)	43	Executive Director and chief marketing officer	April 3, 2016
Ms. Jin Xin (金鑫)	40	Executive Director and chief operating officer	May 8, 2021
<b>Non-executive Directors</b>			
Mr. Huang Miao (黃淼)	54	Non-executive Director	August 1, 2018
Mr. Diao Juanhuan (刁雋桓)	54	Non-executive Director	November 13, 2019
<b>Independent non-executive Directors</b>			
Mr. Tian Lixin (田立新)	50	Independent non-executive Director	May 8, 2021
Dr. Wu Changhai (武長海)	52	Independent non-executive Director	May 8, 2021
Dr. Song Hua (宋華)	56	Independent non-executive Director	May 8, 2021
Mr. Ng Kwok Yin (吳國賢)	49	Independent non-executive Director	December 25, 2021

### Executive Directors

**Ms. Chen Jie (陳杰)**, aged 50, is our founder and was appointed as an executive Director, general manager and chairlady of our Board in May 2015. Ms. Chen is primarily responsible for the overall strategic planning, business direction and management of our Group. Ms. Chen also serves as director of our certain subsidiaries, including the executive director of Beijing Baiwang Jinkong Technology Co., Ltd. (北京百望金控科技有限公司).

Ms. Chen has more than 23 years of experience in IT industry. Prior to founding our Company, from July 2012 to March 2014, Ms. Chen worked as the deputy general manager of the information security department at Watertek, an embedded operating system solution provider whose shares are listed on the Shenzhen Stock Exchange (stock code: 300324), where she was primarily responsible for the daily management of information security business of the company. Ms. Chen did not have any direct or indirect shareholding or equity or debt interest in Watertek from July 2012 and up to the Latest Practicable Date. From April 2000 to May 2012, she successively worked at Beijing Watch Intelligent Technology Co., Ltd. (北京握奇智能科技有限公司) and Beijing Watchdata Co., Ltd. (北京握奇數據股份有限公司) (formerly known as Beijing Watchdata System Co., Ltd. (北京握奇數據系統有限公司)), a data security solution provider.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

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

**Mr. Fu Yingbo (付英波)**, aged 41, joined our Group in November 2024 and was appointed as an executive Director and chief executive officer. Mr. Fu is primarily responsible for the overall strategic planning and implementation.

Mr. Fu has nearly 20 years of experience in technology development and corporate management in the fields of mobile internet, artificial intelligence, cloud computing, and big data. He served as the president at Beijing Megvii Technology Co., Ltd. from October 2016 to July 2024. From August 2013 to September 2016, he served as the senior strategic business advisor at Microsoft China, a subsidiary of Microsoft Corporation whose shares are listed on Nasdaq (ticker: MSFT). Prior to that, from August 2010 to May 2013, he served as the chief of digital platform at Electronic Arts Computer Software Co., Ltd., a subsidiary of Electronic Arts Inc. whose shares are listed on Nasdaq (ticker: EA).

Mr. Fu obtained his bachelor's degree in communication engineering from Shandong University in the PRC in June 2006. In 2019, Mr. Fu was awarded the title of Zhongguancun High-end Leading Talent by Beijing Municipal Science & Technology Commission and Administrative Commission of Zhongguancun Science Park. In 2020, Mr. Fu was awarded the title of "Haiying" Leading Talent in Innovation, and Young Technology Leading Talent of Beijing. In 2023, he was awarded the title of Talent with Outstanding Contributions to Science and Technology Management in Beijing.

**Mr. Zou Yan (鄒岩)**, aged 43, joined our Group in July 2015 and was appointed as an executive Director in April 2016 and the chief marketing officer in October 2022. Mr. Zou is primarily responsible for the overall sales management of our Group. Mr. Zou also currently serves as the director and manager at our certain subsidiaries.

Mr. Zou has more than 10 years of experiences in software information industry. Prior to joining us, from April 2014 to July 2015, Mr. Zou served as a deputy general manager at Beijing Weizhi Power Network Information Technology Co., Ltd. (北京唯緻動力網絡信息科技有限), an IT company where he was primarily responsible for sales management of the company. From July 2012 to March 2014, he served as the sales manager at

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Watertek where he was responsible for sales management of information security products. Prior to that, from October 2009 to June 2012, he served as a technical support engineer at Beijing Watchdata Co., Ltd. where he was responsible for sales of information security products for banking industry. Mr. Zou also worked as a trainee application engineer at Invensys Netherland (now known as Schneider Electronics), a multinational IT company.

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

**Ms. Jin Xin (金鑫)**, aged 40, joined our Group in November 2018 as vice president and was appointed as an executive Director in May 2021 and the chief operating officer in October 2022. She is primarily responsible for the overall operational management of our Group.

Ms. Jin has more than 12 years of experience in the financial services industry. Prior to joining us, she worked at the credit card center of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司), a state-owned bank concurrently listed on the Main Board of the Stock Exchange (stock code: 1398) and the Shenzhen Stock Exchange (stock code: 601398), from September 2009 to October 2018, where she was primarily responsible for product development and operation of online platforms.

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

### Non-executive Directors

**Mr. Huang Miao (黃淼)**, aged 54, was appointed as our non-executive Director in August 2018. Mr. Huang is primarily responsible for providing guidance on overall strategic planning, corporate governance and business direction of our Group.

Mr. Huang has extensive experience in investment management. Mr. Huang has served as a co-chairman of the board of directors and the chief executive officer of Shanghai Fosun Capital Investment Management Co., Ltd. (上海復星創富投資管理股份有限公司) and a director and general manager of Fosun Capital (Jiangsu) Investment Management Co., Ltd. (復星創富(江蘇)投資管理有限公司). Previously, Mr. Huang served as a vice president at Jiangsu Jiuzhou Investment Investment Group Venture Investment Co., Ltd. (江蘇九洲投資集團創業投資有限公司), where he was primarily responsible for the overall management of sales department of the company. From March 2010 to May 2012, he served as a senior investment manager at Changzhou SAIF High-Tech Venture Capital Management Co., Ltd. (常州賽富高新創業投資管理有限公司), a private equity firm where he focused on the venture capital investment. From January 2008 to June 2010, Mr. Huang served at Shell (China) Limited (殼牌(中國)有限公司), a subsidiary of Royal Dutch Shell Plc whose shares are listed on the New York Stock Exchange (ticker: RDS.A), with his last position being a sales director. Prior to that, from May 1997 to January 2008, Mr. Huang also successively served as a sales engineer, a regional sales manager and a marketing director at the Shanghai branch of Castrol (Shenzhen) Company Limited (嘉實多(深圳)有限公司), a subsidiary of BP plc whose shares are



## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

concurrently listed on the London Stock Exchange (ticker: BP), the Frankfurt Stock Exchange (stock code: BPE) and the New York Stock Exchange (ticker: BP).

Mr. Huang graduated from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) in the PRC with a bachelor's degree in mechanical engineering in June 1993. He further obtained an executive master of business administration degree from Peking University (北京大學) in the PRC in January 2007.

**Mr. Diao Juanhuan (刁雋桓)**, aged 54, was appointed as our non-executive Director in November 2019. Mr. Diao is primarily responsible for providing guidance on overall strategic planning, corporate governance and business direction of our Group.

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

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

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

### Independent non-executive Directors

**Mr. Tian Lixin (田立新)**, aged 50, was appointed as our independent non-executive Director in May 2021. He is primarily responsible for providing independent advice to our Board on the operations and management of our Group.

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

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

**Dr. Wu Changhai (武長海)**, aged 52, was appointed as our independent non-executive Director in May 2021 and is primarily responsible for providing independent advice to our Board on the operations and management of our Group.

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

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

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

**Dr. Song Hua (宋華)**, aged 56, was appointed as our independent non-executive Director in May 2021 and is primarily responsible for providing independent advice to our Board on the operations and management of our Group.

Dr. Song has over 26 years of experience in research and teaching on corporate management. He has served at Renmin Business School (中國人民大學商學院) since July 1995 and is currently a deputy dean and professor of corporate management department.

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

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

**Mr. Ng Kwok Yin (吳國賢)**, aged 49, was appointed as our independent non-executive Director in December 2021 and is primarily responsible for providing independent advice to our Board on the operations and management of our Group.

Mr. Ng has extensive experience in financial management. Mr. Ng has served as an independent non-executive director at Concord Healthcare Group Co., Ltd. (美中嘉和醫學技術發展集團股份有限公司), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 2453) since January 9, 2024. From November 2020 to September 2021, Mr. Ng served as a director and the chief financial officer at Zhangmen Education Inc., a company whose shares are listed on the New York Stock Exchange (ticker: ZME). From August 2019 to July 2020, Mr. Ng served as the chief financial officer at Meten Edtechx Education Group Ltd., a company listed on Nasdaq (ticker: METX). Prior to that, Mr. Ng served as the chief financial officer of Ming Yang Smart Energy Group Limited (明陽智慧能源集團股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 601615) from November 2014 to August 2019. From October 1999 to August 2012, Mr. Ng served at KPMG with his last position being a senior manager.

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

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### SUPERVISORS

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

Name	Age	Position	Date of Appointment
<b>Supervisors</b>			
Mr. Li Yunfeng (李雲峰)	47	Chairman of our Board of Supervisors, Supervisor and director of human resources department	December 1, 2015
Ms. Shi Haixia (史海霞)	49	Supervisor and senior executive assistant	August 31, 2022
Mr. Luo Wenhong (羅文宏)	35	Supervisor	May 8, 2021

**Mr. Li Yunfeng (李雲峰)**, aged 47, joined our Group as the deputy director of human resources and administration department in May 2015 and was appointed as a Supervisor and the chairman of our Board of Supervisors in December 2015. Mr. Li is primarily responsible for the overall management of our Board of Supervisors and the supervision of performance of our Directors and senior management.

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

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

**Ms. Shi Haixia (史海霞)**, aged 49, joined our Group as a senior executive assistant in June 2018 and was appointed as a Supervisor in August 2022. Ms. Shi is primarily responsible for the supervision of performance of our Directors and senior management.

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

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

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

**Mr. Luo Wenhong (羅文宏)**, aged 35, was appointed as a Supervisor in May 2021. Mr. Luo is primarily responsible for the supervision of performance of our Directors and senior management.

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

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

### SENIOR MANAGEMENT

**Ms. Chen Jie (陳杰)**, see “–Directors–Executive Directors” for details.

**Mr. Fu Yingbo (付英波)**, see “–Directors–Executive Directors” for details.

**Mr. Zou Yan (鄒岩)**, see “–Directors–Executive Directors” for details.

**Ms. Jin Xin (金鑫)**, see “–Directors–Executive Directors” for details.

**Mr. Jiao Yang (焦陽)**, aged 40, has over 13 years of experience in financing and finance management in mobile internet and cloud computing industries in A-share and Hong Kong stock market. Mr. Jiao served as a manager at the Beijing Branch of KPMG Advisory (China) Limited (畢馬威企業諮詢(中國)有限公司北京分公司) from January 2012 to June 2013, a vice president at TMT Group, Investment Banking Department, Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司) from June 2013 to August 2015, a vice president at Surekam Investment Management Limited (聯信策為投資管理有限公司) from August 2015 to February 2018, the senior vice president at ORIX Asia Capital Limited (歐力士亞洲資本有限公司) from June 2018 to April 2020, and a vice president of finance and the secretary of the board of directors at Huafang Group Inc. (花房集團公司) from April 2020 to May 2023. From May 2023 to June 2024, Mr. Jiao served as a vice president of the Company, taking the lead in the execution of the Company's IPO-related matters.

Mr. Jiao graduated from Shanghai Jiao Tong University (上海交通大學) in the PRC with a bachelor's degree in economics in July 2008. He obtained a master of science degree from the University of Warwick in England in December 2010. He was recognized as a Chartered Financial Analyst by the Chartered Financial Analyst Institution in September 2016.



# REPORT OF THE DIRECTORS

The Board is pleased to present this report together with the consolidated financial statements of the Group for the year ended December 31, 2024.

## PRINCIPAL ACTIVITIES

The Company was incorporated in Beijing, the PRC on May 4, 2015 as a joint stock company with limited liability under the PRC laws. The Group is an enterprise digitalization solutions provider in China, offering SaaS financial & tax digitalization and data driven analytics services through Baiwang Cloud platform. Additionally, with big data and AI technologies at its core, the Group is dedicated to building a reliable super data intelligence system that integrates digital productivity into people's work and daily lives. The H Shares of the Company was listed on the Main Board of the Stock Exchange on July 9, 2024 with stock code 6657.

The activities and particulars of the Company's subsidiaries are set out in Note 1 to the consolidated financial statements. An analysis of the Group's revenue and net results for the year ended December 31, 2024 by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and Note 7 to the consolidated financial statements. There were no significant changes in the nature of the Company's principal activities during the Reporting Period.

## BUSINESS REVIEW AND RESULTS AND FUTURE DEVELOPMENT

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

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

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

## PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

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

## REPORT OF THE DIRECTORS

### MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period,

- (i) the Group's largest supplier accounted for 5.8% (2023: 12.2%) of its total purchases, and the five largest suppliers accounted for 24.1% of its total purchases (2023: 33.7%); and
- (ii) the Group's largest customer accounted for 12.1% (2023: 15.1%) of its total sales, and the five largest customers accounted for 27.8% of its total sales (2023: 35.4%).

To the best of the knowledge of our Directors, none of the Group's Directors, Supervisors, their respective close associates or any Shareholder who owns more than 5% of our issued share capital had any interest in any of the Group's five largest customers and suppliers for the year ended December 31, 2024.

### KEY RELATIONSHIPS WITH ITS EMPLOYEES, CUSTOMERS AND SUPPLIERS

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

### PROPERTY, PLANT AND EQUIPMENT

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

### SHARE CAPITAL

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

### DEBENTURES

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

### DISTRIBUTABLE RESERVES

As of December 31, 2024, the Company had no distributable reserves. Under the PRC Company Law, a company incorporated in the PRC is required to allocate at least 10% of its after-tax profits each year as certain statutory reserves after making up for the accumulated losses, if any, of the previous year, until the total amount of statutory reserve contributions reaches 50% of its registered capital. We may pay dividends from our after-tax profits after making up for the accumulated losses and the statutory reserves. Movement in the Company's reserves for the year ended December 31, 2024 are set out in the consolidated statements of changes in equity of the Group included in this annual report.

## REPORT OF THE DIRECTORS

### BANK AND OTHER BORROWINGS

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

### EQUITY LINKED AGREEMENTS

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

### DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

#### Executive Directors

Ms. Chen Jie (*Chairlady of the Board*)

Mr. Fu Yingbo

(*appointed with effect from November 15, 2024*)

Mr. Zou Yan

Ms. Jin Xin

Mr. Yang Zhengdao

(*resigned with effect from October 17, 2024*)

#### Non-executive Directors

Mr. Huang Miao

Mr. Diao Juanhuan

#### Independent Non-executive Directors

Mr. Tian Lixin

Dr. Wu Changhai

Dr. Song Hua

Mr. Ng Kwok Yin

## REPORT OF THE DIRECTORS

### Supervisors

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

### Senior Management

Ms. Chen Jie  
Mr. Fu Yingbo  
Mr. Zou Yan  
Ms. Jin Xin  
Mr. Jiao Yang

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

Mr. Fu Yingbo was appointed at the extraordinary general meeting on November 15, 2024 and he obtained the legal advice referred to in Rule 3.09D of the Listing Rules on October, 28, 2024. Mr. Fu Yingbo confirmed that he understood his obligations as a director of the Company pursuant to Rule 3.09 of the Listing Rules.

From the listing date on July 9, 2024 to the date of this annual report, there was no changes to information which are required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

### DIRECTORS’ AND SUPERVISORS’ SERVICE CONTRACTS

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

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

### DIRECTORS’ INTEREST IN COMPETING BUSINESS

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

## REPORT OF THE DIRECTORS

### SIGNIFICANT CONTRACTS

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

During the Reporting Period, the Group has not entered into any contract of significance with the Controlling Shareholders.

### CONNECTED TRANSACTIONS

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

#### Baiwangyun Overseas Convertible Loan Agreement

In November 2024, the Company, Huanqiu Zhilian and Baiwangyun Overseas entered into an convertible loan agreement (“**Baiwangyun Overseas Convertible Loan Agreement**”), pursuant to which the Company agreed to make available to Baiwangyun Overseas the convertible loan in a principal amount of RMB35.0 million (equivalent to approximately HK\$38.2 million) for one year at an interest rate of 8% per annum, convertible to the equity interest in Baiwangyun Overseas if any outstanding principal amount not being repaid upon maturity.

Pursuant to Baiwangyun Overseas Convertible Loan Agreement, it is agreed that, among others, (i) the Company shall make a one-off payment of RMB35.0 million (equivalent to approximately HK\$38.2 million) within 30 days after entry into Baiwangyun Overseas Convertible Loan Agreement, (ii) Baiwangyun Overseas may repay to the Company any or entire principal amount of the convertible loan along with the accrued interest prior to the first anniversary of the drawdown date, and (iii) the Company shall, within ten business days from the date of maturity, have an irrevocable right and option to convert the outstanding principal amount not being repaid upon maturity of the loan into the equity interest in Baiwangyun Overseas on such terms and conditions to be agreed among the parties, and based on its then valuation as evaluated by a qualified asset valuer designated by the Company, provided that the then valuation of Baiwangyun Overseas shall be no less than RMB100.0 million. The payment arrangement pursuant to Baiwangyun Overseas Convertible Loan Agreement was not funded by the net proceeds from the Company's IPO.



## REPORT OF THE DIRECTORS

The transaction contemplated under Baiwangyun Overseas Convertible Loan Agreement constitute connected transactions of our Company under the Listing Rules as Mr. Yang Zhengdao, the ultimate controlling shareholder of Baiwangyun Overseas and Huanqiu Zhilian, had once served as a Director and the Company's chief executive officer in the last 12 months prior to the transactions, is a connected person of our Group pursuant to Chapter 14A of the Listing Rules.

Please refer to the Company's announcement dated November 17, 2024 for more details of such transaction.

### Alibaba Cloud Services Framework Agreement

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

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

The annual cap for the transactions contemplated under the Alibaba Cloud Services Framework Agreement for the year ended December 31, 2024 is RMB19.8 million, and the actual transaction amount incurred for the year ended December 31, 2024 was RMB16.7 million.

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

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

### Taobao Cooperation Framework Agreement

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

## REPORT OF THE DIRECTORS

of Ali Invoice Platform and tax compliance risk detection, whereas our essential invoice services to Taobao Merchants include the essential functions of issuance and cancellation of invoices in a limited number per day with supports from the website of Ali Invoice Platform only. The Taobao Cooperation Framework Agreement has an initial term from the Listing Date to December 31, 2026, subject to renewal upon the mutual consent of both parties.

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

The annual cap for the platform service fee charged by Taobao on the Company under the Taobao Cooperation Framework Agreement for the year ended December 31, 2024 is RMB5.6 million, and the actual transaction amount incurred for the year ended December 31, 2024 was RMB1.6 million.

Taobao China is the controlling shareholder of Alibaba, a Substantial Shareholder, and Zhejiang Taobao is a fellow subsidiary of Alibaba, and hence Taobao are connected persons of the Company under Rule 14A.13(1) of the Listing Rules. As such, the provisions of platform services by Taobao contemplated under the Taobao Cooperation Framework Agreement shall constitute connected transactions of the Company.

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

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

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

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better to the Group; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

## REPORT OF THE DIRECTORS

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

- (i) nothing has come to their attention that cause them to believe that the aforesaid continuing connected transactions have not been approved by the Board;
- (ii) nothing has come to their attention that causes them to believe that the aforesaid continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (iii) with respect to the aggregate actual transaction amount of each of the aforesaid continuing connected transactions, nothing has come to their attention that causes them to believe that such actual transaction amounts have exceeded the relevant annual caps as set by the Company.

## MANAGEMENT CONTRACTS

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

## REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

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

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

## REPORT OF THE DIRECTORS

### EMPLOYEE, TRAINING AND REMUNERATION POLICIES

The Group had 934 employees as at December 31, 2024, as compared to 1,020 employees as at December 31, 2023.

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

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

We believe that we maintain a good working relationship with our employees and we had not experienced any material labor disputes or any difficulty in recruiting staff for our operations during 2024.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

We attach great importance to the radiation safety and protection of radiation therapy and continuously put great efforts into creating a safe, comfortable and first-class diagnosis and treatment environment for our patients. We have adopted comprehensive internal control mechanisms to ensure our compliance with relevant regulations.

In 2024, we have been in compliance with the currently applicable PRC laws and regulations with respect to environmental matters in all material respects. We will continuously communicate with the relevant regulatory authorities regarding the evolving ESG-related regulatory requirements to keep abreast of the last developments and ensure our ongoing compliance.

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

## REPORT OF THE DIRECTORS

### THE GROUP'S SUBSIDIARIES AND FACILITIES

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

As of December 31, 2024, we operated our businesses through these 18 leased properties in Beijing, Guangzhou, Shanghai, Nanjing, Shenzhen, Hangzhou, Henan Province and Wuxi, with a total gross floor area of approximately 11,170.40 square meters. All such properties have been used for non property activities as defined under Rule 5.01(2) of the Listing Rules and are primarily used as office premises for our business operations, research and development facilities, warehouses and staff dormitories.

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

As of December 31, 2024, to the best 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:



## REPORT OF THE DIRECTORS

Name	Class of Shares	Capacity/Nature of interest	Number of Shares held <sup>(1)</sup>	Approximate percentage shareholding in the relevant class of Shares of the Company <sup>(2)</sup>	Approximate percentage of total shareholdings in the Company <sup>(3)</sup>
Ms. Chen <sup>(4)</sup>	Domestic Shares	Beneficial owner	58,700,000 (L)	43.46%	25.98%
		Interest in controlled corporation	24,445,522 (L)	18.10%	10.82%
	H Shares	Interest in controlled corporation	10,476,652 (L)	11.53%	4.64%
Mr. Huang Miao	Domestic Shares	Beneficial owner	45,215 (L)	0.03%	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) Represents the percentage of the number of shares in the relevant class as at December 31, 2024 divided by the number of all shares of the Company in issue (totaling 225,906,754 Shares, including 90,842,048 H Shares and 135,064,706 domestic shares).

(3) Represents the percentage of the number of shares in the relevant class as at December 31, 2024 divided by the number of shares in the relevant class of the Company in issue.

(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.

Save as disclosed above, as of December 31, 2024, 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 taken 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.

## REPORT OF THE DIRECTORS

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

As of December 31, 2024, to the best of knowledge of the Directors, the following persons, other than Directors, Supervisors or 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 <sup>(1)</sup>	Approximate percentage shareholding in the relevant class of Shares of the Company <sup>(2)</sup>	Approximate percentage of total shareholdings in the Company <sup>(3)</sup>
Ningbo Xiu'an <sup>(4)</sup>	Domestic Shares	Beneficial owner	14,000,000 (L)	10.37%	6.20%
	H Shares	Beneficial owner	6,000,000 (L)	6.60%	2.66%
Tianjin Duoying <sup>(4)</sup>	Domestic Shares	Beneficial owner	10,445,522 (L)	7.73%	4.62%
	H Shares	Beneficial owner	4,476,652 (L)	4.93%	1.98%
Tianjin Piaoying Technology Center (Limited Partnership) (天津票盈科技中心(有限合 夥)) ("Tianjin Piaoying") <sup>(4)</sup>	Domestic Shares	Interest in controlled corporation	10,445,522 (L)	7.73%	4.62%
	H Shares	Interest in controlled corporation	4,476,652 (L)	4.93%	1.98%
Alibaba <sup>(5)</sup>	Domestic Shares	Beneficial owner	9,338,074 (L)	6.91%	4.13%
	H Shares	Beneficial owner	16,386,647 (L)	18.04%	7.25%
Alibaba Group Holding Limited <sup>(5)</sup>	Domestic Shares	Interest in controlled corporation	9,338,074 (L)	6.91%	4.13%
	H Shares	Interest in controlled corporation	16,386,647 (L)	18.04%	7.25%
Watertek <sup>(6)</sup>	Domestic Shares	Beneficial owner	15,024,426 (L)	11.12%	6.65%
	H Shares	Beneficial owner	6,439,040 (L)	7.09%	2.85%
Mr. Chen Jiangtao ("陳江濤") <sup>(6)</sup>	Domestic Shares	Interest in controlled corporation	15,024,426 (L)	11.12%	6.65%
	H Shares	Interest in controlled corporation	6,439,040 (L)	7.09%	2.85%
Fosun International Limited (復 星國際有限公司) <sup>(7)</sup>	Domestic Shares	Interest in controlled corporation	4,179,173 (L)	3.09%	1.85%
	H Shares	Interest in controlled corporation	7,333,700 (L)	8.07%	3.25%

## REPORT OF THE DIRECTORS

Name	Class of Shares	Capacity/ Nature of interest	Number of Shares held <sup>(1)</sup>	Approximate percentage shareholding in the relevant class of Shares of the Company <sup>(2)</sup>	Approximate percentage of total shareholdings in the Company <sup>(3)</sup>
Shenzhen Oriental Fortune Capital Investment Management Co., Ltd. (深圳市東方富海投資管理股份有限公司) <sup>(6)</sup>	Domestic Shares H Shares	Interest in controlled corporation Interest in controlled corporation	3,784,642 (L) 6,641,369 (L)	2.80% 7.31%	1.68% 2.94%
Jiangsu Yuanli Industrial Investment Co., Ltd. (江蘇原力產業投資有限公司) (“Jiangsu Yuanli”) <sup>(9)</sup>	H Shares	Beneficial owner	7,222,200 (L)	7.95%	3.20%
Zhonghai Trust Co., Ltd. – Yuanli QDII Single Money Trust (中海信託股份有限公司代表: 中海原力QDII 單一資金信託) <sup>(9)</sup>	H Shares	Trustee	7,222,200 (L)	7.95%	3.20%

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

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

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

(6) Watertek, a company incorporated in the PRC with its shares listed on the Shanghai 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.

## REPORT OF THE DIRECTORS

- (7) Shanghai Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司), Shanghai Fosun Weishi Fund (上海復星惟實一期股權投資基金合夥企業(有限合夥)) and Wuxi Fosun Venture Capital Investment Partnership (無錫復星創業投資合夥企業(有限合夥)) were ultimately controlled by Fosun International Limited, a company incorporated in Hong Kong and listed on the Stock Exchange (stock code: 656). As of the Latest Practicable Date, the general partner of Beijing Xingshi Investment Management Center (Limited Partnership) (北京星實投資管理中心(有限合夥)) was Beijing Xingyuan Innovation Equity Investment Fund Management Co., Ltd. (北京星元創新股權投資基金管理有限公司), an indirectly non-wholly-owned subsidiary of Fosun International Limited. Under the SFO, Fosun International Limited is deemed to be interest 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).
- (8) Shenzhen Fortune Gutoubang No. 6 Investment Enterprise (Limited Partnership) (深圳富海股投邦六號投資企業(有限合夥)) and Small and Medium-sized Enterprises Development Fund (Shenzhen Nanshan Limited Partnership) (中小企業發展基金(深圳南山有限合夥)) were ultimately controlled by Shenzhen Oriental Fortune Capital Investment Management Co., Ltd. Under the SFO, Shenzhen Oriental Fortune Capital Investment Management Co., Ltd. is deemed to be interested in the entire Shares held by Shenzhen Fortune Gutoubang No. 6 Investment Enterprise (Limited Partnership) and Small and Medium-sized Enterprises Development Fund (Shenzhen Nanshan Limited Partnership).
- (9) On June 26, 2024, the Company and Jiangsu Yuanli entered into a cornerstone investment agreement, pursuant to which, Jiangsu Yuanli agreed to subscribe for such number of the Offer Shares (rounded down to the nearest whole board lot of 100 Shares) which may be purchased at the Offer Price with an aggregate amount of approximately HK\$260.0 million) (exclusive of the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee). For the purpose of this cornerstone investment, Jiangsu Yuanli has engaged Zhonghai Trust Co., Ltd. (中海信託股份有限公司), which is a QDII and the asset manager of Zhonghai Yuanli QDII Single Fund Trust (中海原力QDII 單一資金信託), to subscribe for and hold such Offer Shares on its behalf.

Save as disclosed above, as of December 31, 2024, the Directors, Supervisors and the chief executive of the Company are not aware of any other person (other than the Directors, Supervisors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be required to be recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

## REPORT OF THE DIRECTORS

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report during and at the end of the year ended December 31, 2024, neither the Company nor any of its subsidiaries was a party to any arrangement that would enable the Directors or any of their respective spouses or children under the age of 18 to acquire benefits by means of acquisition of the shares in, or debentures of, the Company or any other body corporate.

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

Neither the Company nor its subsidiary had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the period from the Listing Date to December 31, 2024.

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

### MATERIAL ACQUISITIONS AND DISPOSALS AND SIGNIFICANT INVESTMENT

We did not have any material acquisitions and disposals and significant investments during the year ended December 31, 2024.

### USE OF PROCEEDS FROM THE GLOBAL OFFERING

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

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



## REPORT OF THE DIRECTORS

The table below sets out the planned and actual applications of the net proceeds up to December 31, 2024.

	Allocation of net proceeds from the Global Offering (HKD in millions)	Percentage of net proceeds (%)	Utilization up to December 31, 2024 (HKD in millions)	Unutilized proceeds as of December 31, 2024 (HKD in millions)
Solution upgrade and function enhancement	72.1	31.5	14.1	58.0
Research & development	67.3	29.4	18.4	48.9
Sales and marketing initiatives	44.2	19.3	–	44.2
Selective acquisitions and investment	26.3	11.5	5.4	20.9
Working capital and other general purposes	19.0	8.3	–	19.0
<b>Total</b>	<b>228.9</b>	<b>100.0</b>	<b>37.9</b>	<b>191.0</b>

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 do not expect to change the intended use of net proceeds as previously disclosed in the Prospectus, and expects full utilization of the net proceeds raised from the Global Offering by December 31, 2029, subject to changes in light of the Company's evolving business needs and changing market conditions.

## LITIGATION AND COMPLIANCE

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

## ANNUAL GENERAL MEETING

It is proposed that the AGM will be held on June 27, 2025. A notice convening the AGM will be published on the HKEX news website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.baiwang.com](http://www.baiwang.com)), and will be despatched to the Shareholders who have requested corporate communications in printed copy (where applicable) in accordance with the requirements of the Listing Rules in due course.

## REPORT OF THE DIRECTORS

### FINAL DIVIDEND

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

### DIVIDEND POLICY

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

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

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

All Shareholders are entitled the same right to receive dividends and distributions distributed by shares or cash. The Board will review the dividend policy as appropriate from time to time.

## REPORT OF THE DIRECTORS

### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, June 24, 2025 to Friday, June 27, 2025, both days inclusive, during which period no transfer of Shares will be registered.

In order to be eligible to attend and vote at the AGM, all Share transfer documents accompanied by the corresponding share certificates must be lodged with the Company's branch Hong Kong Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Monday, June 23, 2025.

### PRE-EMPTIVE RIGHTS

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

### TAX RELIEF AND EXEMPTION

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

### PERMITTED INDEMNITY PROVISION

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

### SUFFICIENCY OF PUBLIC FLOAT

Listing Rule 8.08(1)(a) of the Listing Rules requires that at least 25% of an issuer's total number of issued shares must at all times be held by the public. On the Listing Date, the public float percentage was approximately 28.32%. 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 from the Listing Date to December 31, 2024.

## REPORT OF THE DIRECTORS

### AUDIT COMMITTEE

As of the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Ng Kwok Yin, Mr. Tian Lixin and Dr. Song Hua, with Mr. Ng Kwok Yin being the chairman of the Audit Committee. The Audit Committee has reviewed the annual results of the Group for the year ended December 31, 2024 and has recommended for the Board's approval thereof.

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the consolidated financial statements of the Group for the year ended December 31, 2024. The Audit Committee considered that the annual results of the Group are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

This annual report is based on the audited consolidated financial statements of the Group for the year ended December 31, 2024.

### AUDITOR

The consolidated financial statements of the Group for the year ended December 31, 2024 have been audited by Deloitte Touche Tohmatsu.

### DONATION

During the year ended December 31, 2024, the Group made donations of RMB5.1 million.

### NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

Our Controlling Shareholders have confirmed that none of them or any of their respective close associates had any interest in a business that competes or is likely to compete, either directly or indirectly, with our business, which is subject to disclosure pursuant to Rule 8.10 of the Listing Rules during the year ended December 31, 2024.

### CORPORATE GOVERNANCE

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

From the Listing Date to December 31, 2024, the Company has complied with the code provisions as set out in the CG Code. Detailed information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 59 to 77 of this annual report.

## REPORT OF THE DIRECTORS

### DISCLOSEABLE TRANSACTIONS

On August 23, 2024, the Company placed an order to subscribe for a wealth management product (“**Wealth Management Product**”) issued by Bank of Beijing Co., Ltd. (北京銀行股份有限公司) (“**Bank of Beijing**”), an independent third party of the Company, in the principal amount of RMB50.0 million (“**Subscription in August 2024**”). Prior to Subscription in August 2024, during the period from November 7, 2023 to June 25, 2024, the Company had subscribed for the Wealth Management Products in an aggregated principal amount of RMB350.0 million, of which RMB50.0 million remained outstanding as of August 23, 2024. As the Wealth Management Products subscribed for with Bank of Beijing were of similar nature, they would during the relevant period be aggregated as if there were one transaction with Bank of Beijing for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the subscriptions of such Wealth Management Products, on an aggregate basis, exceed 5% but less than 25%, the relevant subscriptions constituted disclosable transactions of the Company and shall be subject to the notification and announcement requirements but exempt from the shareholders’ approval requirement under Chapter 14 of the Listing Rules.

On October 18, 2024, the Company placed an order to subscribe for a Wealth Management Product in the principal amount of RMB50.0 million (“**Subscription in October 2024**”). Prior to Subscription in October 2024, during the period from November 7, 2023 to August 23, 2024, the Company had subscribed for the Wealth Management Products in an aggregated principal amount of RMB400.0 million, of which RMB50.0 million remained outstanding as of October 18, 2024. As the Wealth Management Products subscribed for with Bank of Beijing were of similar nature, they would during the relevant period be aggregated as if there were one transaction with Bank of Beijing for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the subscriptions of such Wealth Management Products, on an aggregate basis, exceed 5% but less than 25%, the relevant subscriptions constituted disclosable transactions of the Company and shall be subject to the notification and announcement requirements but exempt from the shareholders’ approval requirement under Chapter 14 of the Listing Rules.

As of December 31, 2024, the aggregated principal amount of the subscriptions of the Wealth Management Products that remained outstanding was RMB100.0 million. Please refer to the Company’s announcements dated August 23, 2024 and October 18, 2024 for more details of such transactions.



## REPORT OF THE DIRECTORS

### SUBSEQUENT EVENT

In January 2025, the Company, together with other independent third parties, jointly established Wuxi Huishan Yuanxinxiwang 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)) through its wholly-owned subsidiary Beijing Baiwang Jinkong Technology Co., Ltd. (北京百望金控科技有限公司), acquiring a 7.1942% partnership interest for a total consideration of RMB30.0 million as a limited partner, of which RMB19.4 million was paid in February 2025.

### APPRECIATION

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

By order of the Board of Directors

**Baiwang Co., Ltd.**

**Ms. Chen Jie**

*Chairlady*

Hong Kong

March 31, 2025

# REPORT OF THE BOARD OF SUPERVISORS

In 2024, all members of the Board of Supervisors, in strict compliance with the Company Law and other relevant laws, the Listing Rules and the Articles of Association and other relevant regulations, abided by the principle of good faith, conscientiously performed their supervisory duties in an attitude of responsibility to all shareholders, actively carried out their work, attended the meetings of the Board of Supervisors, the Board meetings and the general meetings, conducted effective supervision over the Company's operation in accordance with the law, its financial position and the performance of duties by the Directors and the management, and promoted the standardised operation of the Company.

## I. BASIC COMPOSITION OF THE BOARD OF SUPERVISORS

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

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

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

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

## II. OVERALL RESPONSIBILITIES OF THE BOARD OF SUPERVISORS

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

## REPORT OF THE BOARD OF SUPERVISORS

### III. WORK OF THE BOARD OF SUPERVISORS

From the Listing Date to December 31, 2024, the Board of Supervisors convened one meeting and considered one resolution. All Supervisors attended in person and discussed and considered the relevant resolutions, including the resolutions relating to the review of the documents in relation to the interim results announcement for the six months ended June 30, 2024.

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

Name	Number of meeting required to be attended	Number of meeting attended
LI Yunfeng	1	1
SHI Haixia	1	1
LUO Wenhong	1	1

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

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

During the year ended December 31, 2024, through supervising the Directors and senior management, the Board of Supervisors believed that the Company's major business decision-making procedures were legal and effective; when performing their duties, the Directors and senior management earnestly implemented the laws and regulations of the PRC, the Articles of Association and the resolutions of the general meetings and the Board meetings, and there was no behavior that harmed the interests of the Company and the Shareholders and no violations committed by the Directors or senior management were found during operations.

## REPORT OF THE BOARD OF SUPERVISORS

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

#### (I) Independent Opinion of the Board of Supervisors on the Company's Legal Operation

In 2024, the Board of Supervisors supervised the convening procedures and resolutions of the general meetings and the Board meetings of the Company, the implementation of resolutions of the Company's general meetings by the Board, and the performance of duties of senior management in accordance with the rights granted under the PRC Company Law and the Articles of Association.

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

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

The Board of Supervisors supervised the Company's finances and considered that the Company's financial system was sound and its financial operations were in good condition. It also considered that the Company strictly complied with the requirements of the corporate accounting system, accounting standards and other relevant financial regulations. At the same time, the Board of Supervisors carefully reviewed the financial statements for the year 2024 audited by an independent auditor with an unmodified opinion to be submitted by the Board of Directors to the general meetings, and other relevant materials, and was of the view that the financial report followed the principle of consistency, and objectively, accurately and truthfully reflected the financial conditions and operating results of the Company.

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

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

## REPORT OF THE BOARD OF SUPERVISORS

### VI. WORK PLAN FOR 2025

In 2025, the Board of Supervisors will continue to perform its supervisory functions well, exercise its supervisory powers independently in accordance with the law, fulfil its obligations of loyalty and diligence in strict accordance with the relevant laws such as the Company Law, the Listing Rules and the Articles of Association, effectively safeguard the interests of the Company and the shareholders at large, and ensure the standardised and healthy operation of the Company.

1. Carry out daily discussion activities. The Company will convene meetings of the Board of Supervisors based on the actual situation of the Company to review various proposals;
2. Strengthen the implementation of supervisory functions. The Company will strengthen the supervision of Directors and senior management in the performance of their duties, implementation of resolutions and compliance with regulations, strengthen the supervision and correction of irregularities, dereliction of duty and inaction of senior management to promote more standardised and lawful decision-making and business activities, carry out focused supervision of the implementation of the Company's major business decisions, major asset acquisitions, foreign investments and other matters, and regularly understand and review the Company's financial reports to effectively prevent business risks;
3. Learn laws and regulations and relevant policies. The Company will carefully study the laws, regulations and relevant policies updated from time to time to continuously promote the construction of the Company's internal control system, to promote the Company's long-term mechanism of sound and standardised governance, and to safeguard the Company's sustainable and healthy development; and
4. Members of the Board of Supervisors shall be diligent and conscientious. The Company will pay close attention to the Company's production, operation, management and major initiatives on a daily basis, participate in the Board meetings, general meetings and other important meetings of the Company and actively put forward opinions or suggestions.



# CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report contained in the Company's annual report for the year ended December 31, 2024.

## CORPORATE GOVERNANCE PRACTICES

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

During the period from the Listing Date to December 31, 2024, the Company has complied with all applicable code provisions as set out in the CG Code.

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

## THE BOARD

### Responsibilities, Accountabilities and Contributions of the Board

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

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

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

## CORPORATE GOVERNANCE REPORT

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

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

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

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

### Board Composition

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

#### Executive Directors

Ms. Chen Jie (*Chairlady of the Board*)  
Mr. Fu Yingbo  
Mr. Zou Yan  
Ms. Jin Xin

#### Non-executive Directors

Mr. Huang Miao  
Mr. Diao Juanhuan

#### Independent Non – executive Directors

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

## CORPORATE GOVERNANCE REPORT

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

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

During the period from the Listing Date and up to December 31, 2024, the Board at all times met the requirement of the Listing Rules 3.10 and 3.10A of having a minimum of three independent non-executive Directors (representing at least one-third of the Board) with one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

### Board Independence

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

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

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

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

## CORPORATE GOVERNANCE REPORT

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

### Chairlady and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairlady and chief executive should be separate and should not be performed by the same individual. To achieve clear division of responsibilities between the management of the Board and day-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 and Mr. Fu Yingbo respectively. The chairlady provides leadership and is responsible for the effective functioning and leadership of the Board, whereas the chief executive officer focuses on the Company's business development and daily management and operations generally. The respective responsibilities between the chairlady of the Board and the chief executive officer have been clearly established and set out in writing. The separation of roles would ensure a balance of power and authority, and strengthen the governance function and business development of the Group.

### Appointment and Re-election of Directors

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

## CORPORATE GOVERNANCE REPORT

### Training and Continuing Professional Development of Directors

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

Every newly appointed Directors has received a comprehensive, formal and tailored induction on his/her appointment to ensure appropriate understanding of the business and operations of the Group and full awareness of Director's responsibilities and obligations under the Listing Rules 3.09D and relevant statutory requirements. Such induction is normally supplemented with meetings with the senior management of the Company.

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

The Directors are required to submit to the Company details of the training they received in each financial year for the Company's maintenance of proper training records of the Directors. Prior to the Listing Date and during the year ended December 31, 2024, Ms. Chen Jie, Mr. Fu Yingbo, Mr. Zou Yan, Ms. Jin Xin, Mr. Huang Miao, Mr. Diao Juanhuan, Mr. Tian Lixin, Dr. Wu Changhai, Dr. Song Hua, and Mr. Ng Kwok Yin attended training sessions on regulatory development, directors' duties or other relevant topics. In addition, relevant reading materials have been provided to the Directors for their studying and reference.

### Model Code for Securities Transactions

The Company has adopted the Model Code as the code of conduct regarding the Directors' and the supervisors' dealings in the securities of the Company. Having made specific enquiry of all the Directors and Supervisors, all Directors and Supervisors confirmed that they have complied with the provisions of the Model Code during the period from the Listing Date and up to December 31, 2024.

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

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



## CORPORATE GOVERNANCE REPORT

### Board Practices and Conduct of Meetings

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

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

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

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

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

## CORPORATE GOVERNANCE REPORT

### Attendance Records of Directors and Committee Members

The attendance records of each Director at the Board and Board Committee meetings of the Company held during the period from the Listing Date and up to December 31, 2024 are set out in the table below:

Name of Director	Attendance/Number of Meetings			
	Board	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee
Ms. Chen Jie	4	—	—	2
Mr. Fu Yingbo (appointed on November 15, 2024)	2	—	1	—
Mr. Zou Yan	4	—	—	—
Ms. Jin Xin	4	—	—	—
Mr. Huang Miao	4	—	—	—
Mr. Diao Juanhuan	4	—	—	—
Mr. Tian Lixin	4	1	—	2
Dr. Wu Changhai	4	—	2	—
Dr. Song Hua	4	1	—	2
Mr. Ng Kwok Yin	4	1	2	—
Mr. Yang Zhengdao (resigned on October 17, 2024)	1	—	—	—

In addition, Ms. Chen Jie, the chairlady of the Board, held a meeting with the independent non-executive Directors without the presence of other Directors during the period from the Listing Date and up to December 31, 2024.

### Board Committees And Corporate Governance Functions

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

### AUDIT COMMITTEE

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

## CORPORATE GOVERNANCE REPORT

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

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

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

### REMUNERATION AND APPRAISAL COMMITTEE

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

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

During the period from the Listing Date and up to December 31, 2024, the Remuneration and Appraisal Committee held two meetings to review and discuss the remuneration policy and structure and the remuneration packages of the Directors and senior management of the Group.

## CORPORATE GOVERNANCE REPORT

Pursuant to code provision E.1.5 of the CG Code, the annual remuneration of the senior management by band for the year ended December 31, 2024 is set out below:

Remuneration Band (HK\$)	Number of senior management
HKD1 to HKD1,000,000	2
HKD1,000,001 to HKD1,500,000	3
	5

Details of the remuneration of each director of the Company for the year ended December 31, 2024 are set out in Note 18 to the consolidated financial statements contained in this annual report.

### NOMINATION COMMITTEE

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

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

To comply with Rule 13.92 and Appendix C1 to the Listing Rules, the Company recognizes and embraces the benefits of having a diverse Board to enhance its performance and has adopted a board diversity policy aiming to set out the approach to nominate directors and achieve diversity on the Board. The implementation of the policy is monitored by the Nomination Committee. All Board members shall be appointed on the basis of merit, and the benefits of diversity (including gender diversity) of the Board shall be fully taken into account in the consideration of candidates on appropriate terms. In designing the Board's composition, board diversity has been considered from a number of measurable objectives, including but not limited to a balance of skills, professional experience, cultural and educational background, knowledge and industry and regional experience, age and gender. The Nomination Committee shall report its findings and make recommendation to the Board, if any. Such policy and objectives will be reviewed from time to time and at least on an annual basis to ensure their appropriateness in determining the optimum composition of the Board.

## CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining gender diversity on the Board and at the working level, including senior management. In particular, the Company will strive to maintain that the Board and senior management have at least one member who is not of the same gender as the other members. As of December 31, 2024, the Board has two female Directors out of 10 Directors, representing 20% of the Board. As of December 31, 2024, the Group had a total of 322 female staff, representing 34.5% of the employees of the Group. The Company will continue to pay attention to the cultivation of female talents, promote gender diversity in the recruitment of middle and senior staff, and provide more development opportunities for female employees. For further details, please refer to the “Environmental, Social and Governance Report” of this annual report.

During the period from the Listing Date and up to December 31, 2024, the Board has reviewed the Policy of Director Nomination and Board Diversity and considered that the implementation of the policy was effective.

During the period from the Listing Date and up to December 31, 2024, the Nomination Committee held two meetings to review the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group and reviewed the implementation and effectiveness of the Policy of Director Nomination and Board Diversity and assessed the independence of the independent non-executive Directors; and considered and made recommendations to the Board on the election of a director, select and recommend candidates for directorship.

### CORPORATE GOVERNANCE FUNCTIONS

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

During the period from the Listing Date and up to December 31, 2024, the Board has reviewed the Company's corporate governance policies and practices, the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance with the Model Code and the Guidelines for Securities Dealings by relevant employees, and the Company's compliance with the CG Code and the disclosure in this Corporate Governance Report.

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

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended December 31, 2024.

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



## CORPORATE GOVERNANCE REPORT

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

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

### RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

The Audit Committee assists the Board in overseeing the design and implementation of the risk management and internal control systems. The Company has developed and adopted different risk management procedures and guidelines. Self-evaluation would be conducted each year to confirm that the Company has properly complied with the risk management and internal control policy. The audit department would conduct internal control assessment to identify risks factors with potential impact on the Group's business. The management would assess the likelihood of risk occurrence, monitor the progress of risk management and report to the Board and the Audit Committee on the findings and effectiveness of the systems. The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended December 31, 2024.

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

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

## CORPORATE GOVERNANCE REPORT

The Board, as assisted by the Audit Committee and the management, has reviewed the report from the management and the internal audit findings, and reviewed the effectiveness of the risk management and internal control systems of the Group, including the financial, operational and compliance controls for the year ended December 31, 2024. The annual review also covered areas on the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting, internal audit and financial reporting functions as well as those relating to the Company's environmental, social and governance performance and reporting. The Board considered that such systems are adequate and effective and ongoing review of the same nature would be conducted in subsequent years.

### ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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

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

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

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

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

## CORPORATE GOVERNANCE REPORT

### Whistleblowing Policy:

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

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

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

### EXTERNAL AUDITOR AND THE NUMERATION OF AUDITOR

The statement of the external auditors of the Company about their reporting responsibilities for the Company's financial statements for the year ended December 31, 2024 is set out in the section headed "Independent Auditor's Report" in this annual report.

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

During the year ended December 31, 2024, the remuneration paid/payable to the Company's external auditors, Deloitte Touche Tohmatsu, is set out below:

Nature of Services	Remuneration (RMB'000)
Audit services	3,500
Non-audit services <sup>(Note)</sup>	1,500
Data analysis, training and other services	720
TOTAL:	5,720

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

### NOMINATION POLICY

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

## CORPORATE GOVERNANCE REPORT

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

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

### CORPORATE CULTURE

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

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

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

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

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

## CORPORATE GOVERNANCE REPORT

### JOINT COMPANY SECRETARIES

Mr. Zheng Tianhao and Mr. Chiu Ming King, are the Company's joint company secretaries. Mr. Chiu is the Head of Company Secretarial Services (Client Portfolio Management), Greater China of Vistra Corporate Services (HK) Limited, a global professional services provider specializing in integrated business, corporate and investor services, as the Company's joint company secretaries.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Mr. Zheng Tianhao has been designated as the primary contact person at the Company which would work and communicate with Mr. Chiu Ming King on the Company's corporate governance and secretarial and administrative matters.

Mr. Zheng Tianhao and Mr. Chiu Ming King have taken not less than 15 hours of relevant professional training and comply with the requirement under Rule 3.29 of the Listing Rules for the year ended December 31, 2024.

### COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

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

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

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

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

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



## CORPORATE GOVERNANCE REPORT

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

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

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

### SHAREHOLDER RIGHTS

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

## CORPORATE GOVERNANCE REPORT

### Procedures for Shareholders to Convene an Extraordinary General Meeting

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

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

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

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

### Procedures for Shareholders to Put Forward Proposals at General Meetings

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

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

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

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

## CORPORATE GOVERNANCE REPORT

### Putting Forward Enquiries to the Board

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

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

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

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

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

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

## CORPORATE GOVERNANCE REPORT

The Company held extraordinary general meeting on November 15, 2024 (the “**EGM**”). All resolutions proposed at the EGM were passed. For details, please refer to poll results announcement of the Company dated November 15, 2024.

Having considered the multiple channels of communication and shareholders engagement in the general meeting held during the year, the Board is satisfied that the shareholders communication policy has been properly implemented during 2024 and is effective.

### CONSTITUTIONAL DOCUMENTS

During the period from the Listing Date and up to the date of this annual report, the Company has not made any changes to its constitutional documents. An up-to-date version of the Articles of Association is available on both the websites of the Stock Exchange ([www.hkewnews.hk](http://www.hkewnews.hk)) and the Company ([www.baiwang.com](http://www.baiwang.com)).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SCOPE AND REPORTING PERIOD

This is the Environmental, Social, and Governance (the “**ESG**”) report by the Group, highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix C2 of the Listing Rules set out by The Stock Exchange of Hong Kong Limited. The Group has complied with all “comply or explain” provisions set out in the ESG Reporting Guide during the Reporting Period.

As an enterprise digitalization solutions provider in China, the Group offer SaaS financial & tax digitalization and datadriven analytics services through its Baiwang Cloud platform. Additionally, with big data and artificial intelligence (“**AI**”) technologies at its core, the Group is dedicated to building a reliable super data intelligence system that integrates digital productivity into people’s work and daily lives.

This ESG report covers the Group’s overall performance in two subject areas, namely, Environmental and Social aspects of the business operations in the U.S. during the Reporting Period, unless otherwise stated.

There have been no major changes with the reporting boundary when compared with that for the period from 1 January 2023 to 31 December 2023.

## Reporting Principles

The preparation of the ESG Report has applied the following principles:

*Materiality* – materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders, the significant stakeholders, process, and results of the engagement which are presented in the section “Stakeholder Engagement and Materiality” in the Report.

*Quantitative* – key performance indicators (“**KPI**”s) have been established, and are measurable and applicable to make valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed when applicable.

*Balance* – performance of the Group was presented impartially, avoiding choices, omissions or presentation formats that may unduly influence readers’ decisions or judgements.

*Consistency* – consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### THE GROUP'S SUSTAINABILITY MISSION AND VISION

#### Board Statement

In 2024, the global economy continued to operate in an environment marked by heightened uncertainty, driven by ongoing geopolitical conflicts, sustained inflationary trends, and challenging market dynamics. China's economic recovery encountered further headwinds, including weak domestic demand, a prolonged real estate sector transformation, and subdued consumer sentiment – factors that collectively constrained broader economic revival. These developments underscore sustainability as a critical resilience factor amid macroeconomic, geopolitical, and public health volatility. While uncertainties persist, the Group remains committed to its core values, collaborating with stakeholders to advance smart, sustainable, and green growth initiatives.

The Group acknowledges its environmental footprint and has implemented rigorous policies to mitigate operational impacts, including waste reduction aligned with regulatory standards, resource reuse, and energy conservation initiatives. To curb emissions, the Group is optimizing fuel and electricity efficiency through measures such as minimizing vehicle use, promoting public transport, investing in energy-efficient equipment, and collaborating with partners to develop sustainable solutions. Employee engagement is prioritized via training on energy-saving practices, while continuous monitoring of electricity consumption and GHG emissions ensures accountability. Though waste generation remains low, proactive waste management policies underscore the Group's dedication to environmental responsibility. These actions reflect the Group's broader commitment to sustainability, thus driving progress toward reduced carbon footprints and responsible resource use.

Furthermore, the Group recognizes the urgent need to address human-induced environmental pressures in alignment with the findings of the Intergovernmental Panel on Climate Change (the "IPCC") regarding future trends and effects of climate change. Climate action extends beyond risk mitigation, as it includes unlocking new markets and accelerating the shift toward low-carbon, energy-efficient, and climate-resilient products. Rising consumer demand for sustainable solutions, coupled with China's supportive policy framework for clean energy, positions the Group to lead in green innovation. The Group has strengthened partnerships with telecom providers to implement emission-reducing protocols for data storage and processing.

In addition, the Group prioritizes the health, safety, and professional growth of its employees through robust policies and inclusive practices. The Group maintains a comprehensive occupational health and safety management system, ensuring compliance with legal standards, proper accident recording, and a safe working environment supported by adequate resources and training. The Group's commitment extends to fair labour practices, including equitable compensation, transparent recruitment and dismissal procedures, and a performance appraisal system to recognize employee contributions. Upholding principles of diversity and inclusion, the Group strictly prohibits discrimination and harassment while promoting equal opportunities for all, regardless of background or identity. Regular training programs foster awareness and inclusivity, and a competitive benefits package helps attract and retain top talent. Finally, through tailored career development initiatives, the Group equips its workforce with the skills needed to excel, reinforcing its dedication to a supportive, dynamic, and forward-looking workplace.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group will pursue stable growth while introducing environmentally friendly technologies and maintaining its integrity. Staying true to its mission, the Group aims to deepen its corporate social responsibility impact and build its reputation as a sustainability-driven enterprise.

### ESG Governance Structure

The Group recognizes the significance of integrating ESG considerations into its business practices and operations. The Board sets the Group's strategic direction, ensuring alignment between its ESG strategy, values, and core businesses. The ESG strategy is developed through evaluating, prioritizing, and managing these issues and risks. The Board will adopt the following approach to manage material ESG issues:

**Identify:** The Board will engage internal and external stakeholders (including, but not limited to, shareholders/investors, the management and employees, customers, business partners, suppliers, regulatory authorities, and community/non-governmental organizations) to identify material ESG issues and risks inherent in our business operations. The Board believes that open dialogue with stakeholders plays a crucial role in maintaining the Group's business sustainability.

**Strategic Planning:** The Board will set up risk management and internal control systems, which are designed to meet the Group's business needs and minimize its risk exposure.

**Assess:** Apart from assessing the performance of the Group's ESG measures through discussion with stakeholders, the Board will engage an independent third party to identify and assess the Group's performance in respect of environmental protection and climate change.

**Review:** The Board will review the progress made against ESG-related goals to guide the Group to achieve better ESG performance. Via the Group's ESG policy, a set of systematic risk management practices have been put in place to ensure financial and operational functions, compliance control systems, material control, asset management and risk management all operate effectively.

To enhance implementation, the Board has formed an ESG Committee (the "**Committee**") dedicated to ESG issues. The Executive Director and Chief Executive Officer was appointed as the Chairperson of the Committee, who oversees the whole organization to ensure effective oversight and management of ESG issues within the organization. The Company Secretary was appointed as the Vice Chairperson of the Committee to bridge the work of the Board and the management team. The members of the Committee comprise representatives from various departments, including procurement, marketing, social responsibilities, employee benefit and corporate governance to ensure a comprehensive representation of all aspects of the Group. The Committee reports to the Board annually through meetings.

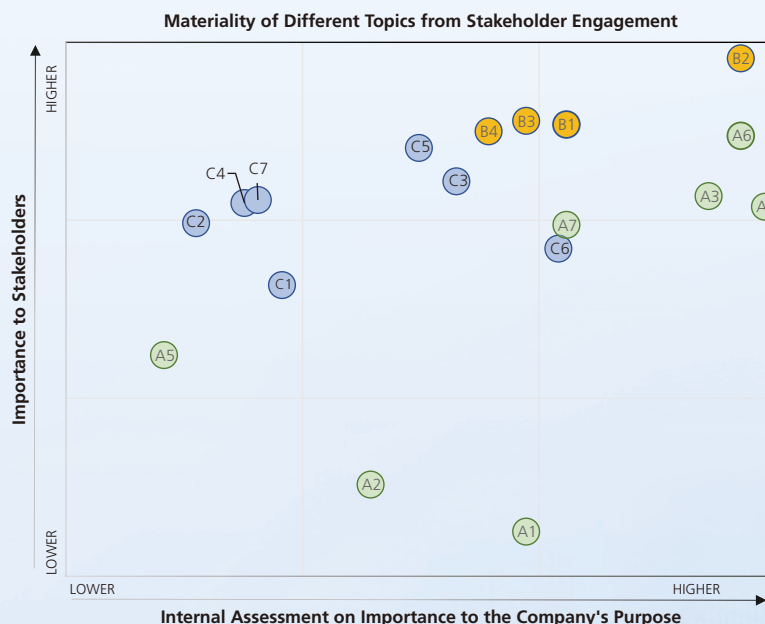
## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Independent Non-Executive Director shall conduct a thorough analysis of potential risks that could impact the Group's operations and management. This analysis considers three key dimensions: environmental protection, social responsibility, and corporate governance. Once these risks are identified, the Group assesses their significance in relation to their potential impact on sustainable operations and social values. The risks are then categorized based on their level of impact, with the highest impact risks being prioritized.

### STAKEHOLDER ENGAGEMENT AND MATERIALITY

Considering the importance of stakeholders to the Group's businesses, the Company maintains close communication through various channels with stakeholders to understand their concerns and expectations, and significant issues which may pose risks to the business operations. The Group's key internal and external stakeholders include, shareholders, employees, suppliers, business partners, government and regulators, customers, and local communities. The Group communicates with stakeholders via various communication channels such as quarterly group meetings, emails, monthly general meetings, and annual written communication.

During the Reporting Year, the Group has specifically engaged members of the Board, senior management, shareholders, frontline employees, suppliers, clients, and business partners to gain further insights on material aspects and challenges via questionnaires. Following the stakeholder engagement, a materiality assessment was undergone for the Group to better identify, prioritise, and address issues that stakeholders feel important. Results from the materiality assessment are as follows:



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental Practices	Labour Practices	Operational Practices
A1 Energy	B1 Employment	C1 Supply Chain Management
A2 Water	B2 Occupational Health and Safety	C2 Intellectual Property
A3 Air Emission	B3 Development and Training	C3 Data Protection
A4 Waste and Effluent	B4 Labour Standards	C4 Customer Service
A5 Other Raw Materials Consumption		C5 Product/Service Quality
A6 Environmental Protection Measures		C6 Anti-corruption
A7 Climate Change		C7 Community Investment

From the matrix, the five most material issues are:

1. Labour Standards
2. Development and Training
3. Customer Service
4. Product/Service Quality
5. Occupational Health and Safety

During the Reporting Year, stakeholders' interests have focused on labour and operational practices. The Board is committed to closely monitoring the above aspects and will continue to identify areas for improvement. Regular communication and involvement of stakeholders in its decision-making processes is believed to be beneficial for the Group's management and performance on ESG-related risks and strategy.

### STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on the ESG approach and performance by giving suggestions or sharing views via email at [ir@baiwang.com](mailto:ir@baiwang.com).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### A. ENVIRONMENTAL

The Group has complied with relevant PRC environmental law and regulations, which are strictly enforced by local environmental protection authorities through regular inspections. These include, but not limited to the followings:

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

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

#### A1. Emissions

##### A1.1 Air Emissions

The Group consumed petrol for passenger cars used for business purposes. During the Reporting Period, the operation of vehicle in the Group’s operations generated several air emissions (“**non-GHG**”), including nitrogen oxides (“**NO<sub>x</sub>**”), sulphur oxides (“**SO<sub>x</sub>**”) and respiratory-suspended particles (“**PM**”).

Mobile fuel source	2024 Non-GHG Emissions		
	SO <sub>x</sub> (kg)	NO <sub>x</sub> (kg)	PM (kg)
Petrol	0.07	4.59	0.34

*Note 1:* Emission factors for calculations on environmental parameters were made with reference to Appendix C2 of the Main Board Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.

*Note 2:* As the Group did not keep records of vehicle mileage log for the Reporting Period, travel distance was estimated using 7.82 litres of petrol consumption per 100 km travelled, as per 2024 estimates by oilchem.net.<sup>1</sup>



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### A1.2 GHG Emissions

Direct GHG emissions were generated from the consumption of petrol in vehicle operation. Indirect GHG emissions were also generated from the consumption of purchased electricity, processing of freshwater and sewage, processing of waste generated in operations, and business air travel.

During the Reporting Period, 476.75 tonnes of carbon dioxide equivalent (“tCO<sub>2</sub>eq”) GHG emissions (mainly CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O) were emitted from the Group’s operations. The overall intensity of the GHG emissions was 0.72 tCO<sub>2</sub>eq/million RMB revenue.

See the table below for the contribution of GHG emissions across scopes and activities during the Reporting Period, as well as comparisons with previous reporting periods.

#### Sources of GHG Emissions during the Reporting Period

Scope of GHG emissions	Emission sources	GHG Emission (2024) (in tCO <sub>2</sub> eq)	GHG Emission (2023) (in tCO <sub>2</sub> eq)	GHG Emission (2022) (in tCO <sub>2</sub> eq)
<b>Scope 1 Direct emissions</b>	Combustion of petrol for vehicle operations	12.81	13.89	13.54
<b>Scope 2 Energy indirect emissions</b>	Purchased electricity	175.53	161.39	149.68
<b>Scope 3 Other indirect emissions</b>	Paper waste disposal at landfills	11.02	0.35	0.33
	Electricity used for processing fresh water and sewage by government departments/third parties	0.44	0.45	0.37
	Business air travel	276.95	339.91	N/A
<b>Total (in tCO<sub>2</sub>eq)</b>		<b>476.75</b>	<b>515.99</b>	<b>163.92</b>
<b>Intensity (in tCO<sub>2</sub>eq/million RMB revenue)</b>		<b>0.72</b>	<b>0.72</b>	<b>0.31</b>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Note 1: As pursuant to Appendix 2 of “How to Prepare an ESG Report” set out by Hong Kong Exchanges and Clearing Limited, Scope 1 greenhouse gas emissions refer to direct emissions from equipment and operations that are owned or controlled by the Group (thus emissions from aircraft that are sold to customers are not included).
- Note 2: As pursuant to Appendix 2 of “How to Prepare an ESG Report” set out by Hong Kong Exchanges and Clearing Limited, Scope 2 greenhouse gas emissions refer to energy indirect emissions resulting from the generation of purchased or acquired electricity, heating, cooling, and steam consumed within the Group.
- Note 3: Emission factors were made in reference to Appendix C2 of the Main Board Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise. Scope 3 emissions were only calculated based on the available emission factors from the referred documentation.
- Note 4: According to the Ministry of Ecology and Environment of the People’s Republic of China (2024): Emission factor for purchased electricity in Mainland China was 0.5366 tCO<sub>2</sub>e/MWh in 2024, 0.5703 tCO<sub>2</sub>e/MWh in 2023, and 0.581 tCO<sub>2</sub>e/MWh in 2022.
- Note 5: The Group relies on third-party cloud storage and external bandwidth to operate its business. The primary Scope 3 emissions of the Group, outside of paper waste disposal, freshwater and sewage treatment, and business air travel, stem from the energy consumption of the data centers provided by its telecommunications suppliers. The Group’s main telecommunications supplier has accounted for indirect greenhouse gas emissions from energy consumption of its data centers. Therefore, their associated emissions have not been calculated to avoid double counting. For Scope 3 emissions from paper waste disposal and freshwater and sewage treatment, relevant emissions are calculated as pursuant to Appendix 2 of “How to Prepare an ESG Report” set out by Hong Kong Exchanges and Clearing Limited.
- Note 6: CO<sub>2</sub> emissions from the Group’s business air travels were reported in accordance with the International Civil Aviation Organisation (ICAO) Carbon Emission Calculator.
- Note 7: Total GHG Emissions may not equal total of emission sources or sub-totals due to rounding errors.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### A1.3 Hazardous Waste

The Group generated an approximate total of 17.10 kg of hazardous waste during the Reporting Period, consisting of used batteries. The intensity was 0.03 kg/million RMB revenue. Hazardous waste generated by the Group was collected and disposed of by third-party handlers.

#### Hazardous Waste Generation during the Reporting Period

Hazardous Waste Type	Annual disposal amount (kg)
Used Batteries	17.10
<b>Total</b>	<b>17.10</b>

### A1.4 Non-hazardous Waste

Non-hazardous waste from the Group's operation was mainly domestic waste, plastic waste, and other types of paper waste (such as newspaper or cardboard) from office operations. However, since the amount of non-hazardous waste generated was insignificant, the Group had not kept records of its non-hazardous waste disposal.

### A1.5 Measures to Mitigate Air and Greenhouse Gas Emissions

Since the main source of emissions for the Group is the consumption of petrol and electricity, the Group has implemented internal policies to ensure the responsible management of energy resources and effective implementation of energy management measures. Further details of the Group's energy use efficiency initiatives are presented in the section "A2. Use of Resources".

The Group had set the long-term target of reducing its Scope 1 + Scope 2 GHG emissions intensity by 10% by 2033, using 2023 data as the baseline. See below for the detail breakdown of the Group's progress towards its emission reduction target.

	2023 Figures	Reduction Target by 2033	2024 Figures	% Change
Scope 1 + Scope 2 GHG Emissions Intensity	0.25 tCO <sub>2</sub> eq./million RMB revenue	-10%	0.29 tCO <sub>2</sub> eq./million RMB revenue	+16.25%

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As seen above, the Group recorded a 16% increase in Scope 1 + Scope 2 GHG emissions intensity when compared to the baseline year. This is mainly due to the slight increase in GHG emissions from purchased electricity and the slight decrease in the Group's revenue, however the Group has reviewed its GHG emissions reduction target and has remained confident in achieving its long-term target.

Since the Group is still in the process of completing disclosures for Scope 3 GHG emissions, reduction targets for Scope 3 emissions shall only be set when more comprehensive data has been collected.

The Group strives to improve and review the GHG reduction measures continuously, as to achieve its best performance of GHG reduction in the long-term.

### A1.6 Waste Handling and Reduction Initiatives

The Group recognizes that its operations have the potential to negatively impact the environment, and therefore has established internal policies to minimize its impact. These policies include:

- Handle waste in accordance with national and local laws and regulations;
- Minimize the generation of all kinds of waste where applicable; and
- Reuse and recycle as much as possible.

As part of its commitment to environmental protection and sustainability, the Group shall be setting waste reduction targets to minimize its impact on the environment. The Group aims to reduce hazardous waste and non-hazardous waste intensity by 5% by 2033, using 2024 data as the baseline.

The Group strives to improve and review the waste reduction measures continuously, in order to achieve the waste reduction target in the long term.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### A2. Use of Resources

#### A2.1 Energy Consumption

The Group mainly consumes electricity in its business, which is used for general power, air conditioning, lighting, and IT infrastructure in its sites of operation. In addition, the Group's passenger car consumed petrol for its operation.

During the Reporting Period, the total energy consumption by the Group was 369,650.45 Kilowatt-hour ("kWh"), with an intensity of 560.93 kWh/million RMB revenue. See below for the detail breakdown of energy consumption during the Reporting Period, as well as comparisons with previous years.

	Unit	2024 Consumption	2023 Consumption	2022 Consumption
Petrol Consumption for Vehicle <sup>1</sup>	Liter	4,800.00	5,204.46	5,072.01
Petrol Consumption Intensity	Liter/million RMB revenue	7.28	7.30	9.65
Electricity Consumption	kWh	327,112	282,997	257,628
Electricity Consumption Intensity	kWh/million RMB revenue	496.38	396.91	489.97
Total Energy Consumption	kWh	369,650.45	329,119.24	302,576.86
Energy Consumption Intensity	kWh/million RMB revenue	560.93	461.60	575.46

*Note 1:* The petrol consumption in the three years ended December 31, 2024 were estimated based on the annual cost spent on fuelling the vehicle, using the averaged highest retail gasoline prices provided by the Beijing Municipal Commission of Development and Reform of the PRC from 2022 to 2024.

*Note 2:* Conversion factors were used pursuant to IEA Energy Statistics Manual and 2006 IPCC Guidelines for National Greenhouse Gas Inventories.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### A2.2 Water Consumption

The total water consumption for the Group was 710 m<sup>3</sup>, with an intensity of 1.08 m<sup>3</sup>/million RMB revenue. No issues on sourcing water were reported during the Reporting Period. See below for the detail breakdown of water consumption during the Reporting Period, as well as comparisons with previous years.

	Unit	2024 Consumption	2023 Consumption	2022 Consumption
Water consumption	m <sup>3</sup>	710.00	684.00	569.15
Water consumption intensity	m <sup>3</sup> /million RMB revenue	1.08	0.96	1.08

### A2.3 Energy Use Efficiency Initiatives

The Group is actively developing energy initiatives to reduce electricity consumption in its business operations. The Group is also actively investigating various methods to improve its fuel and energy use efficiency. At present, the Group is planning to implement the following measures:

- Avoid unnecessary vehicle use and encourage its employees to use public transport;
- Actively improve energy efficiency to reduce GHG emissions from gasoline and purchased electricity consumption;
- Actively conduct research and explore sustainable technologies and practices to minimize our carbon footprint;
- Closely collaborate with customers, telecommunications providers and industry organizations to develop sustainable solutions;
- Purchase energy-efficient equipment, electronic appliances and devices throughout the whole Group;
- Continuously monitor the energy consumption of the Group's offices; and
- Train and educate employees to turn off unnecessary and idling equipment, electronic appliances, and devices.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Through these policies and energy-saving measures, the Group has demonstrated its commitment to conserving energy and promoting responsible resource use.

The Group had set the long-term target of reducing its electricity consumption intensity by 10% by 2033, using 2023 data as the baseline. See below for the detail breakdown of the Group's progress towards its energy consumption reduction target.

	2023 Figures	Reduction Target by 2033	2024 Figures	% Change
Electricity Consumption Intensity	396.91 kWh/million RMB revenue	-10%	496.38 kWh/million RMB revenue	+25.06%

As seen above, the Group recorded a 25% increase in electricity consumption intensity when compared to the baseline year. This is mainly due to the slight increase in purchased electricity and the slight decrease in the Group's revenue, however the Group has reviewed its GHG remissions reduction target and has remained confident in achieving its long-term target.

The Group strives to improve and review the energy-saving measures continuously as to achieve its energy saving targets over the long-term.

### A2.4 Water Use Efficiency Initiatives

The Group has not yet implemented any official policies or measures regarding the conservation of water resources. Nevertheless, the Group endeavours to minimize its water usage and encourages its employees to reduce water consumption wherever possible. The Group shall also aim to continuously improve its resource management, by responsibly managing and utilizing water resources for the benefit of its business and society.

As part of its commitment to environmental protection and sustainability, the Group shall be setting water consumption reduction targets to minimize its impact on the environment. The Group aims to reduce water consumption intensity by 5% by 2033, using 2024 data as the baseline.

The Group strives to improve and review the waste reduction measures continuously, in order to achieve the waste reduction target in the long term.

### A2.5 Packaging Material

The Group's operations during the Reporting Period did not involve the consumption of any packaging materials.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### A3. The Environment and Natural Resources

#### A3.1 Significant Impacts of Activities on the Environment

Due to the Group's business nature as a software and IT services company, it has not had significant impacts on the environment. Nevertheless, the Group recognizes the importance of environmental protection, and endeavours to reduce its impact on the environment. This policy reflects the Group's commitment to environmental stewardship, social responsibility, and strong corporate governance, aligning with the evolving expectations of its stakeholders.

The Group's operations consume mainly electricity and emit greenhouse gas emissions, and it keeps track of its electricity consumption and greenhouse gas emissions to actively review and explore areas for improvements. The Group also promotes a culture of environmental responsibility among its employees, encouraging them to actively participate in safeguarding the environment. Although the Group has not generated a significant amount of waste from our operations, environmental policy for waste management has been adopted to avoid generation of all kinds of waste where applicable.

### A4. Climate Change

As a software and IT services company, the Group faces climate-related risks, including extreme weather events, rising sea levels, and disruptions to telecommunications infrastructure and power supply. Additionally, transitioning to sustainable practices brings regulatory and customer-driven pressures. However, these risks also present opportunities for the Group to address climate concerns, enhance resilience, and adapt to sustainable technologies.

As such, it is crucial for the Group to prioritize climate change and take action to mitigate risks and capitalize on opportunities to ensure its long-term success. In alignment with the Task Force on Climate-Related Financial Disclosures ("TCFD") framework, the Group shall be disclosing its climate-related information based on the four core elements of Governance, Risk Management, Strategies, and Metrics and Targets.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Governance of Climate-related Risks Management

The Board prioritizes managing climate change risks by embedding ESG considerations, including climate-related issues, into the corporate governance framework. This integration strengthens board-level supervision and provides strategic direction to management for embedding climate risk mitigation across business operations, ensuring alignment with the Group's long-term objectives. Climate risk management has been formally institutionalized within the Group's enterprise-wide risk management framework. Through regular collaboration with the ESG Committee, the Board evaluates the efficacy of climate risk initiatives, reviews progress on mitigation measures, and formulates adaptive strategies during Board deliberations. Furthermore, the Board proactively translates risk assessments into actionable strategies to bolster the Group's climate resilience and sustainable growth trajectory.

### The Group's Climate-related Risks Management

#### *Physical Risks:*

The Group faces vulnerability to climate-related physical risks, including increased severity of extreme weather events like cyclones and floods, increased variability in weather patterns, and rising sea levels. While the Group relies on third-party telecommunications network providers for transmission bandwidth and does not own or operate data centers, disruptions in telecommunications infrastructure and power outages can still pose risks to its business operations.

- Disruptions in telecommunications infrastructure – Extreme weather events such as hurricanes, storms, or floods, can damage or disrupt the telecommunications infrastructure, leading to service outages and interruptions in data transmission.
- Power Outages – Extreme weather events can cause widespread power outages, affecting the availability and reliability of the telecommunications network and our provision of services.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Transition Risks:*

In terms of transition risks, the global focus on climate change and sustainability brings forth new regulations and policies that impact telecommunications providers and our operations. As climate awareness and sustainability concerns grow, customers prioritize working with environmentally responsible companies. Neglecting climate risks and sustainability practices can result in reputational damage and customer loss. Transitioning to sustainable technologies and practices, such as adopting renewable energy and energy-efficient solutions, may be necessary to mitigate climate risks.

- **Policy and legal changes** – Regulatory or policy changes can influence the availability of services and operating costs for both telecommunications providers and our Group, thereby affecting our capacity to meet customer demands.
- **Market** – Cost of energy can become more volatile as the demand for energy increases, leading to potential price increases that could impact the operating costs of server farms and data centers, and ultimately the prices charged by server custody and/or cloud computing services provided to us.
- **Reputation** – Given the increasing customer consciousness regarding climate and sustainability concerns, neglecting climate risks and insufficient sustainability practices can lead to reputational damage and the loss of customers.
- **Technology** – Adoption of sustainable technologies and practices is crucial for achieving a low-carbon transition. However, implementing and transitioning to these sustainable measures may entail substantial costs and potential disruptions to business models or structures during the implementation phase.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Strategies of Climate-related Risks and Opportunities Management

#### *Mitigation of Physical and Risks:*

To mitigate physical risks, the Group collaborates with multiple telecommunications providers, reducing the likelihood of service disruptions resulting from extreme weather events. The Group has established emergency procedures for disaster recovery and implemented backup systems for seamless data transmission, ensuring uninterrupted business operations even in the face of telecommunications infrastructure disruptions. These emergency procedures effectively minimize downtime and facilitate the swift restoration of services during power outages or infrastructure disturbances. The Group also prioritizes energy efficiency when selecting service vendors that have implemented sustainable practices and committed to reducing their carbon footprint.

To ensure compliance with evolving regulations and policies related to climate change and sustainability, the Group stays abreast of the related new regulations and policies. The legal department and listing coordination office are responsible for ensuring that the Group stays up to date with the latest regulations and policies. The Group actively conducts research and explores sustainable technologies and practices to minimize its carbon footprint. Close collaboration with customers, telecommunications providers, and industry organizations allows us to collectively address climate risks and develop sustainable solutions that align with customer demands and regulatory requirements. By allocating resources to address climate concerns and demonstrate environmental responsibility, the Group aims to ensure compliance, preserve its positive reputation, and retain customer loyalty.

#### *Climate-related Opportunities:*

In addition to developing mitigation measures for the identified climate risks, the Group has actively explored opportunities arising from climate change to strengthen its resilience and adapt to the transition towards a low-carbon economy. Furthermore, the Group has enhanced its collaboration with telecommunication providers to establish emergency procedures and reduce carbon emissions related to data storage and processing.

#### *Metrics and Targets*

To measure the level and impact of the Group's climate-related risks, the Group monitors metrics and indicators to ensure an effective and quantitative assessment. The Group monitors and reviews its Scope 1, Scope 2, and Scope 3 GHG emissions (in tCO<sub>2</sub>eq.), total GHG emissions (in tCO<sub>2</sub>eq.) and the GHG emission intensity (in tCO<sub>2</sub>eq./million RMB revenue) regularly. The GHG emission data and information about target setting are shown in the section "A1. Emissions".

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B. SOCIAL

### 1. EMPLOYMENT AND LABOUR PRACTICES

The Group has strictly complied with the relevant laws and regulations to ensure employees' interests are protected. These include, but not limited to the following:

- Labor Law of the PRC
- Labor Contract Law of the PRC
- Regulations on Paid Annual Leave for Employees
- PRC Law on the Protection of Disabled Persons
- Trade Union Law of the PRC
- PRC Law on the Protection of Women's Rights and Interests
- Special Rules on the Labor Protection of Female Employees
- Provisions on the Prohibition of Using Child Labor

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B1. Employment

### B1.1 Employment Figures

As of 31 December 2024, the Group had a total number of 934 employees. See below for the detail breakdown of the 2024 workforce.

Total Workforce as of 31 December	2024	
	Number	Percentage
<b>By Gender</b>		
Male	612	65.52%
Female	322	34.48%
<b>By Employment Type</b>		
Full-Time	926	99.14%
Part-Time	8	0.86%
<b>By Employee Category</b>		
Senior Management	46	4.92%
Middle Management	114	12.21%
Frontline and Other Employees	774	82.87%
<b>By Age Group</b>		
18-25	114	12.21%
26-35	462	49.46%
36-45	319	34.15%
46-55	34	3.64%
56 or above	5	0.54%
<b>By Geographical Location</b>		
Mainland China	932	99.78%
Hong Kong	1	0.11%
Argentina	1	0.11%
<b>Total</b>	<b>934</b>	<b>100.00%</b>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B1.2 Turnover Rate

A total of 331 employees left the Group during the Reporting Period, which corresponds to a turnover rate of 35.44% for the Group. The employee turnover rate by gender, age group, and geographical location are as follows:

Turnovers	2024	
	Number	Turnover Rate
<b>By Gender</b>		
Male	204	33.33%
Female	127	39.44%
<b>By Age Group</b>		
18-25	71	62.28%
26-35	175	37.88%
36-45	73	22.88%
46-55	12	35.29%
55 or above	0	0.00%
<b>By Geographical Location</b>		
Mainland China	331	35.52%
Hong Kong	0	0.00%
Argentina	0	0.00%
<b>Total</b>	<b>331</b>	<b>35.44%</b>

The Group will continue providing better benefits and more developmental opportunities for existing employees to attract and retain talents.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B1.3 Employee Policies

In addition to the compliance with laws and regulations, the Group has adopted measures relevant to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, which include:

- Ensuring employees receive fair and compensation based on factors such as job responsibilities, skills and market rates;
- Ensuring clear procedures and guidelines for recruitment, handling terminations and dismissals;
- Establishing an employee performance appraisal management system for evaluation of the performance of our employees;
- Committed to providing equal opportunities for all individuals regardless of their race, nationality, religion, physical condition, disability, gender, pregnancy, sexual orientation, political status, age or any other discrimination prohibited by applicable laws and regulations;
- Prohibiting discrimination, harassment, and retaliation in all aspects of employment;
- Promoting diversity and inclusion in the workplace to foster an inclusive culture;
- Providing training programs to raise awareness about discrimination, promote inclusiveness, and prevent discriminatory behaviours;
- Providing a comprehensive benefits package to employees to ensure its competitiveness in attracting high-calibre talent;
- Ensuring a safe and healthy workplace and provide necessary resources for employee well-being; and
- Providing an appropriate channel and a feedback mechanism for employees to raise internal grievances or complaints.

In addition, the Group's employee handbook effectively communicates its human resources management system, salary management system, reward and punishment system, and code of conduct to its employees.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B2. Employee Health and Safety

The Group strives to provide and maintain a safe and healthy working environment whilst complying with all applicable laws and regulations. These include, but not limited to the following:

- Law of the PRC on the Prevention and Treatment of Occupational Diseases
- Work Safety Law of the PRC

In addition to compliance with laws and regulations, we have implemented occupational health and safety guidelines in which our employees are required to strictly comply. Our occupational health and safety policy is shown below:

- Ensure establishment of an occupational health and safety management system that complies with applicable laws and regulations;
- Ensure establishment of a system of recording and handling accidents;
- Maintain a health and work safety compliance record;
- Provide a safe and healthy workplace and work systems for all employees; and
- Provide adequate resources for implementing the health and safety plan, employee training and supervision.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Occupational Health and Safety Data

#### 2024 Occupational Health and Safety Statistics

Number of work-related fatalities	0
Fatality Rate	0.00%
Number of work injuries (sick leave > 3 days)	2
Number of work injuries (sick leave ≤ 3 days)	0
Lost days due to work injury	96

#### 2023 Occupational Health and Safety Statistics

Number of work-related fatalities	0
Fatality Rate	0.00%

#### 2022 Occupational Health and Safety Statistics

Number of work-related fatalities	0
Fatality Rate	0.00%

There were no work-related fatalities or injury cases in the past 3 years, including the Reporting Period. Additionally, there were no instances of non-compliance regarding health and safety laws and regulations, neither were there any material accidents nor any administrative penalties as a result of the violation of laws and regulations relating to occupational health and work safety.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B3. Development and Training

The Group is committed to fostering continuous professional growth by providing comprehensive career development and training opportunities for all employees. These initiatives ensure employees receive training that enhances their capabilities, equips them to overcome workplace challenges, and prepares them for their future career.

During the Reporting Period, the Group conducted 252 hours of training to 252 employees, with the detailed breakdown training provided to employees as follows:

#### By employee category

Senior Management	Percentage of employees trained	13.04%
	Average training hours completed per employee	0.13
Middle management	Percentage of employees trained	16.67%
	Average training hours completed per employee	0.17
Frontline and other staff	Percentage of employees trained	29.33%
	Average training hours completed per employee	0.29

#### By gender

Male	Percentage of employees trained	26.96%
	Average training hours completed per employee	0.27
Female	Percentage of employees trained	27.02%
	Average training hours completed per employee	0.27

### B4. Labor Standards

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

No child labour, forced, or compulsory labour was reported and/or identified within any of its sites during the Reporting Period. If any incidents of non-compliance are discovered within its operation sites, the Group shall immediately suspend the relevant person's employment and carry out an internal investigation.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 2. OPERATING PRACTICES

#### B5. Supply Chain Management

The Group regularly assesses the pricing, product quality standards, business condition, and environmental and social corporate responsibility of new suppliers to ensure their product and service quality. Suppliers are chosen based on their reputation, size, and strong governance, along with relevant licenses and registrations, to ensure a focus on good ESG performance and high-quality products. Priority is given to green procurement during supplier selection.

During the Reporting Period, the Group has engaged its main telecommunications network provider, which is at the forefront of their dedication to decarbonization and focuses their work on pioneering green and low-carbon cloud computing. The Group will monitor the environmental and social performance of all existing suppliers continuously in order to ensure the quality of suppliers and their compliance with all environmental and social related laws and regulations.

By implementing this policy, the Group seeks to foster a supply chain that aligns with its values and contributes to a more sustainable and responsible business ecosystem.

During the Reporting Period, the Group has engaged with suppliers from Mainland China and Hong Kong. The details of different suppliers are shown in the following table.

#### Number of Suppliers by Geographical Region

Region	Number of supplier(s)	Type of suppliers
Mainland China	60	Office supplies; Human resources outsourcing; Cloud resources and SMS services; Server room rental; Office software; Consulting, Other services
Hong Kong	6	PR and Media; ESG; Printing; Consulting

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B6. Product Responsibility

The Group is committed to ensuring the quality of its offered products and services, and it has complied with all applicable laws and regulations regarding product responsibility. These include, but not limited to the following:

- Law of the PRC on the Protection of Consumer Rights and Interests
- Cybersecurity Law of the PRC
- E-commerce Law of the PRC
- Personal Information Protection Law of the PRC

#### B6.1 Product Labelling, Health and Safety, and Advertising

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

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

#### B6.2 Quality Assurance

The Group is committed to delivering services that not only meet industry standards but also exceed client expectations. By providing clear, accurate, and transparent information about its services, terms, and pricing, the Group ensures informed decision-making for its clients. Through continuous research and development, the Group innovates tailored solutions designed to address evolving management and compliance needs effectively. Additionally, the Group has established robust feedback mechanisms to promptly resolve complaints, fostering trust and sustaining long-term customer relationships.

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



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B6.3 Data Protection

The Group prioritizes the protection of consumer data by strictly adhering to all relevant privacy laws and regulations. The Group has implemented a multi-layered security framework that includes comprehensive monitoring systems to identify and prevent potential data breaches, cyber threats, and system vulnerabilities. The Group also employs advanced security protocols to ensure user data remains protected against unauthorized access, disclosure, or modification. To further strengthen its data protection measures, the Group maintains secure backup systems and detailed disaster recovery procedures to prevent data loss or leakage. Additionally, the Group has established clear incident response protocols that include timely reporting of cybersecurity incidents to appropriate regulatory bodies, along with immediate action plans to contain risks and minimize potential impacts.

During the Reporting Period, the Group was not involved in any penalty, investigation, litigation or dispute related to data security and personal information protection. During the Reporting Period, the Group had not experienced any major cybersecurity or data security incident.

### B6.4 Intellectual Property

As of the end of the Reporting Period, the Group owns 19 invention patents, 6 of which were granted during the Reporting Period.

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

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B7. Anti-corruption

The Group regards knowledge and compliance with laws and regulations as the foundation of its business. The Group requires that all employees conform to the Law Against Unfair Competition of the PRC, Criminal Law of the PRC, and other laws, regulations, and regulatory documents related to commercial bribery.

While the Group has internal controls and procedures in place to comply with anti-bribery and anti-corruption laws, it cannot guarantee their effectiveness in preventing violations by its employees or partners. If the Group's employees or third-party business partners are found or alleged to have violated anti-bribery or anti-corruption laws and regulations, it may face or be involved in fines, lawsuits and damage to its reputation, which could have a material adverse effect on its business, financial condition, and results of operations.

In particular, the Group has in place a set of comprehensive Anti-corruption Policy to promote and support the compliance with applicable anti-corruption laws and regulations, providing guidance on anti-corruption and anti-bribery practices, the whistleblowing channel, as well as the responsibilities for implementing the policies. All of the Group's employees are required to understand and comply with the Anti-corruption Policy, and anti-corruption training programs are provided to its employees.

During the Reporting Period, the Group had conducted training sessions on anti-corruption to its employees, of which training topics include business ethics and whistleblowing.

During the Reporting Period, the Group has not aided, abetted, assisted or colluded with an individual who has committed or conspired to commit any unlawful activities. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to corruption, bribery, fraud and money laundering had been identified during the Reporting Period.

### B8. Community Investment

The Group recognises its responsibility towards its local community, and supports them through active participation in voluntary services in accordance with its Corporate Social Responsibility Policy. During the Reporting Period, the Group participated in International Children's Day celebrations organised by the Haidian Education Foundation of Beijing, where 10 employees from the Group volunteered in the 8-hour long event.

## DEFINITION

"AGM"	the forthcoming annual general meeting of the Company to be held on Friday, June 27, 2025
"Alibaba"	Alibaba (China) Technology Co., Ltd. (阿里巴巴(中國)網絡科技有限公司), a Substantial Shareholder
"Articles of Association" or "Articles"	the articles of association of the Company, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Business Day" or "business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business to the public
"Baiwangyun Overseas"	Baiwangyun Overseas (Wuxi) Technology Company Limited (百望雲海外(無錫)科技有限公司), a limited liability company incorporated in the PRC on October 18, 2024 and a wholly-owned subsidiary of Huanqiu Zhilian
"Board Committees"	collectively, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee
"Board of Directors" or "Board"	the board of directors of our Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China," "Mainland China" or "PRC"	People's Republic of China, excluding, for the purposes of this annual report and for geographical reference only and except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company," "our Company," "Group," "our Group," "we" or "us"	Baiwang Co., Ltd. (百望股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability on May 4, 2015 and except where the context indicated otherwise, the Company's subsidiaries
"Controlling Shareholders"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Ms. Chen, Ningbo Xiu'an and Tianjin Duoying
"Director(s)"	the director(s) of our Company

## DEFINITION

"Domestic Share(s)"	ordinary Shares in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares not currently listed or traded on any stock exchange
"Domestic Shareholder(s)"	Shareholder(s) of Domestic Shares
"Global Offering"	the Company's initial public offering on the Main Board completed on July 9, 2024
"H Share(s)"	overseas-listed foreign shares in the share capital of the Company with nominal value of RMB1.00 each, subscribed for and traded in HK dollars and listed on the Main Board
"H Share Shareholder(s)"	holder(s) of H Shares
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"HKD" or "HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HKFRSs"	Hong Kong Financial Reporting Standards
"Huanqiu Zhilian"	Huanyu Zhilian (Wuxi) Digital Technology Company Limited (環球智鏈(無錫)數字科技有限公司), a company incorporated in the PRC with limited liability on September 9, 2024
"IFRS"	International Financial Reporting Standards
"IPO"	initial public offering
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	July 9, 2024, on which the H Shares were listed and on which dealings in the H Shares were first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time

## DEFINITION

"Ms. Chen"	Ms. Chen Jie (陳杰), our founder, Controlling Shareholder, executive Director and chairlady of our Board
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Board
"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
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	the year ended December 31, 2024
"SaaS"	software as a service, which is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of RMB1.00 each
"Shareholder(s)"	holder(s) of our Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Supervisor(s)"	the supervisor(s) of our Company

## DEFINITION

"Taobao"	Taobao China and Zhejiang Taobao
"Taobao China"	Taobao (China) Software Co., Ltd. (淘寶(中國)軟件有限公司), an associate of Alibaba (China) Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司), a Substantial Shareholder
"Tianjin Duoying"	Tianjin Duoying Technology Center (Limited Partnership) (天津多盈科技中心(有限合夥)), a limited partnership established under the laws of the PRC on July 27, 2017 and controlled by Ms. Chen (as the general partner who controls and manages Tianjin Duoying). Tianjin Duoying is a share incentive platform and one of our Controlling Shareholders.
"USD" or "US\$"	US dollars, the lawful currency of the United States
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Watertek"	Beijing Watertek Information Technology Co., Ltd. (北京旋極信息技術股份有限公司), a Shareholder and pre-IPO investor of our Company. Where the context requires, "Watertek Group" refers to Watertek and any one or several or all of its subsidiaries
"Zhejiang Taobao"	Zhejiang Taobao Network Co., Ltd. (浙江淘寶網絡有限公司), an associate of Alibaba (China) Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司), a Substantial Shareholder



# INDEPENDENT AUDITOR'S REPORT

**TO THE BOARD OF DIRECTORS OF BAIWANG CO., LTD.**

**(百望股份有限公司)**

*(incorporated in the People's Republic of China with limited liability)*

## OPINION

We have audited the consolidated financial statements of Baiwang Co., Ltd. (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 116 to 225, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

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

## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTERS

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

#### Relevant disclosure on the financial statements

##### Key audit matter

##### *Revenue recognition*

We identified revenue recognition from data-driven analytics services as a key audit matter because significant efforts were involved in auditing this area due to the significance of such revenue to the consolidated financial statements.

Data-driven analytics services revenues mainly include digital precision marketing services and risk management services. The revenue from the data-driven analytics services amounted to RMB304,674,000 for the year ended December 31, 2024, represented 46.2% of the total revenue.

Details of revenue recognition from the data-driven analytics services and its accounting policies are set out in note 7 and note 4, respectively, to the consolidated financial statements.

##### How our audit addressed the Key Audit Matter

Our audit procedures in relation to revenue recognition from contracts with customers attributable to the data-driven analytics services included:

- Understanding and evaluating the key internal controls relevant to revenue recognition from contracts with customers attributable to the data-driven analytics services;
- Examining, on a sample basis, the key terms set out in the Group's contracts with its customers governing the performance obligations and the associated revenue recognition;
- Inspecting, on a sample basis, contracts, reconciliation statement from customers or billing reports, as appropriate, evidencing that the performance obligations of services were satisfied and control was transferred;
- Comparing the revenue amounts with the settlements received from the customers; and
- Confirming with customers, on a sample basis, the revenue amounts for the year.

## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTERS *(Continued)*

Relevant disclosure on the financial statements	
Key audit matter	How our audit addressed the Key Audit Matter
<b>Valuation of financial instruments</b>	
<p>We identified the valuation of financial assets with fair value measurement hierarchy classified as level 3 (the “<b>Level 3 Investments</b>”) as a key audit matter due to significant judgement and estimation for the determination for the fair values of Level 3 Investments.</p> <p>As disclosed in note 38 to the consolidated financial statements, the Level 3 Investments of the Group are investments in associates with preferential rights, convertible loan and arrangement/right to receive additional shares at nominal considerations. In estimating the fair value of the Level 3 Investments, the directors of the Company engaged an independent professional valuer (the “<b>Valuer</b>”) to perform the valuation and worked with the Valuer to establish inputs to the valuation. The fair values were arrived at using various valuation techniques and involves the making of certain unobservable inputs.</p> <p>The carrying amount of the Level 3 Investments amounted to RMB110,839,000 as at December 31, 2024 and their change in fair value included in fair value changes of financial assets and liabilities at fair value through profit or loss as set out in note 14.</p>	<p>Our audit procedures to assess the fair value of the Level 3 Investments included the following:</p> <ul style="list-style-type: none"> <li>Evaluating the competence, capabilities and objectivity of the Valuer;</li> <li>Obtaining investment agreements for the Level 3 Investments to understand the relevant investment terms and identify conditions that were relevant to the valuation of financial instruments;</li> <li>Assessing the appropriateness of the techniques with reference to the requirements of the prevailing accounting standards and the reasonableness of the assumptions adopted by management;</li> <li>Performing the following procedures on sample basis, with the assistance of our internal valuation specialist: <ul style="list-style-type: none"> <li>evaluating the appropriateness of management’s valuation techniques; and</li> <li>checking the key inputs used by the management to our independently sourced market inputs.</li> </ul> </li> </ul>

## INDEPENDENT AUDITOR'S REPORT

### OTHER INFORMATION

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

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

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lam Kam Chiu.

#### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

March 31 2025



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

	NOTES	Year ended December 31,	
		2024	2023
		RMB'000	RMB'000
Revenue	7	659,212	712,996
Cost of sales	11	(395,789)	(430,965)
<b>Gross profit</b>		<b>263,423</b>	282,031
Other income	8	5,360	4,035
Impairment losses under expected credit loss model, net of reversal	9	(8,239)	(5,823)
Other gains and losses	10	(6,799)	(1,375)
Research and development expenses	11	(179,925)	(187,956)
Administrative expenses	11	(91,787)	(169,090)
Listing expenses	11	(24,664)	(24,107)
Distribution and selling expenses	11	(160,187)	(202,821)
<b>Operating loss</b>		<b>(202,818)</b>	(305,106)
Finance income	12	2,449	6,879
Finance costs	13	(361)	(1,022)
Fair value changes of financial assets and liabilities at fair value through profit or loss ("FVTPL")	14	(294,813)	(55,895)
Share of results of associates and joint ventures		(5,316)	(4,030)
<b>Loss before tax</b>		<b>(500,859)</b>	(359,174)
Income tax expenses	15	(457)	(116)
<b>Loss and total comprehensive expense for the year</b>		<b>(501,316)</b>	(359,290)
<b>Attributable to:</b>			
Owners of the Company		(501,210)	(357,980)
Non-controlling interests		(106)	(1,310)
		<b>(501,316)</b>	(359,290)
<b>Loss per share</b>			
– Basic and diluted (RMB)	17	(2.73)	(2.56)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2024

		As at December 31,	
		2024	2023
	NOTES	RMB'000	RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	20	8,586	9,949
Right-of-use assets	21	3,278	15,103
Intangible assets	22	9,524	6,502
Investments in associates	23	103,297	88,378
Investments in joint ventures	24	2,539	2,792
Financial assets at FVTPL	25	110,839	32,434
Contract costs	29	31,690	38,181
Contract assets	32	673	257
		<u>270,426</u>	<u>193,596</u>
<b>Current assets</b>			
Inventories	27	2,391	3,681
Contract costs	29	44,971	47,104
Contract assets	32	61,940	70,459
Trade and other receivables, deposits and prepayments	28	87,183	104,428
Amounts due from related parties	40	23,045	17,336
Financial assets at FVTPL	25	277,896	268,230
Restricted bank deposits	30	4,180	2,177
Short-term bank deposits with maturity over three months	30	–	109,827
Cash and cash equivalents	30	443,899	335,031
		<u>945,505</u>	<u>958,273</u>
<b>Current liabilities</b>			
Lease liabilities	21	1,710	14,611
Trade and other payables	31	133,957	178,086
Tax liabilities		91	60
Contract liabilities	32	114,720	122,744
Financial liabilities at FVTPL	33	–	2,212,629
Amounts due to related parties	40	29,219	24,043
		<u>279,697</u>	<u>2,552,173</u>
<b>Net current assets (liabilities)</b>		<u>665,808</u>	<u>(1,593,900)</u>
<b>Total assets less current liabilities</b>		<u>936,234</u>	<u>(1,400,304)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2024

	NOTES	As at December 31,	
		2024	2023
		RMB'000	RMB'000
<b>Capital and reserves</b>			
Share capital	34	225,907	140,000
Reserves		714,637	(1,536,215)
Equity(deficits) attributable to owners of the Company		940,544	(1,396,215)
Non-controlling interests		(5,574)	(5,468)
<b>Total equity (deficits)</b>		934,970	(1,401,683)
<b>Non-current liabilities</b>			
Lease liabilities	21	1,264	1,379
		1,264	1,379
<b>Total equity (deficits) and non-current liabilities</b>		926,234	(1,400,304)

The consolidated financial statements on page 116 to 225 were approved and authorized for issue by the board of directors on March, 31, 2025 and were signed on its behalf by:

Ms. Chen Jie, DIRECTOR

Mr. Fu Yingbo, DIRECTOR

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2024

	Attributable to owners of the Company						Non-controlling interests RMB'000	Total equity RMB'000
	Share capital	Share premium	Capital reserve	Share-based payments reserve	Accumulated losses	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
As at January 1, 2023	140,000	-	456,044	61,624	(1,886,967)	(1,229,299)	(4,158)	(1,233,457)
Loss and total comprehensive expense for the year	-	-	-	-	(357,980)	(357,980)	(1,310)	(359,290)
Recognition of share-based payment expenses	-	-	114,126	76,938	-	191,064	-	191,064
Forfeiture of share-based payment expenses	-	-	-	(8,343)	8,343	-	-	-
As at December 31, 2023	140,000	-	570,170	130,219	(2,236,604)	(1,396,215)	(5,468)	(1,401,683)
Loss and total comprehensive expense for the year	-	-	-	-	(501,210)	(501,210)	(106)	(501,316)
Recognition of share-based payment expenses	-	-	-	53,979	-	53,979	-	53,979
Issuance of new shares upon global offering (Note 34)	9,262	295,175	-	-	-	304,437	-	304,437
Transaction costs attributable to issue of new shares (Note 34)	-	(39,717)	-	-	-	(39,717)	-	(39,717)
Automatic conversion of preferred shares into ordinary shares upon global offering (Notes 33 and 38)	76,645	2,442,625	-	-	-	2,519,270	-	2,519,270
As at December 31, 2024	225,907	2,698,083	570,170	184,198	(2,737,814)	940,544	(5,574)	934,970

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
<b>OPERATING ACTIVITIES</b>		
Loss before tax	(500,859)	(359,174)
Adjustments for:		
Share of results of associates and joint ventures	5,316	4,030
Impairment loss on an associate	3,553	-
Gain on disposal of a joint venture	-	(137)
Fair value changes of financial assets and liabilities at FVTPL	294,813	55,895
Share-based payment expenses	53,979	191,064
Depreciation of property, plant and equipment	4,139	3,763
Amortization of intangible assets	1,539	1,521
Depreciation of right-of-use assets	13,879	13,198
Loss on disposal of property, plant and equipment	388	31
Gain on early termination of a lease	-	(4)
Impairment losses under expected credit loss model, net of reversal	8,239	5,823
Interest income	(373)	(3,400)
Net foreign exchange gain	(2,912)	-
Finance costs	361	1,022
<i>Operating cash flows before movements in working capital</i>	<b>(117,938)</b>	<b>(86,368)</b>
Decrease in inventories	1,290	7,311
Decrease (increase) in trade and other receivables, deposits and prepayments	2,976	(15,117)
Increase in amounts due from related parties	(5,847)	(15,003)
Increase in amounts due to related companies	5,176	12,991
Decrease (increase) in contract costs	8,624	(5,171)
Decrease in contract assets	6,756	3,827
Decrease in contract liabilities	(8,024)	(42,732)
(Decrease)increase in trade and other payables	(44,729)	41,167
Income taxes paid	(426)	(235)

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(152,142)</b>	<b>(99,330)</b>
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(3,164)	(5,040)
Additions of intangible assets	(4,561)	(1,062)
Investments in associates	(21,500)	(3,053)
Investments in joint ventures	(2,034)	(4,951)
Proceeds on disposal of a joint venture	–	10,813
Payments for associates with preferential rights investments and the arrangement/right to receive additional shares at nominal consideration	(40,000)	–
Payments for convertible loan	(35,000)	–
Interest of term deposits	10,200	59,177
Purchases of wealth management products	(1,092,102)	(747,000)
Redemption of wealth management products	1,091,459	830,000
Withdrawal of term deposits	100,000	80,000
Placement of restricted bank deposits	(3,664)	(2,177)
Withdrawal of restricted bank deposits	1,661	103
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>1,295</b>	<b>216,810</b>
<b>FINANCING ACTIVITIES</b>		
Prepayments of share issued costs	(15,260)	(5,139)
Repayments of lease liabilities	(15,431)	(14,516)
Net proceeds from issuance of new shares upon global offering	287,494	–
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>256,803</b>	<b>(19,655)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>105,956</b>	<b>97,825</b>
<b>Effect of foreign exchange rate changes</b>	<b>2,912</b>	<b>–</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>335,031</b>	<b>237,206</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>443,899</b>	<b>335,031</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 1. GENERAL INFORMATION

Baiwang Co., Ltd. (the “**Company**”) was incorporated in Beijing, People’s Republic of China (“**PRC**”) on May 4, 2015 as a joint stock company with limited liability under the Company Law (PRC. 2013 Revision). The registered office and principal place of business of the Company is 14/F & 15/F, Building 1, Division 1, No. 81 Beiqing Road, Haidian District, Beijing, the PRC.

The Company and its subsidiaries (collectively referred to as “**Group**”) is principally engaged in the provision of cloud-based software-as-a-service (“**SaaS**”) solutions and on-premises solutions for financial and tax digitalization solutions, data-driven analytics services as well as other enterprise needs, in the PRC. Ms. Chen Jie, Ningbo Xiu’an Enterprise Management Partnership (Limited Partnership) 寧波修安企業管理合夥企業(有限合夥) (“**Ningbo 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 Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on July 9, 2024.

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

## 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

#### Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The directors of the Company anticipate that the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and measurement of Financial Instruments <sup>3</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>3</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS	Annual Improvements to IFRS Accounting Standards Accounting Standards – Volume 11 <sup>3</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2025

<sup>3</sup> Effective for annual periods beginning on or after January 1, 2026

<sup>4</sup> Effective for annual periods beginning on or after January 1, 2027

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

#### New and amendments to IFRSs in issue but not yet effective (Continued)

The directors of the Company anticipate that the application of the new and amendments to IFRSs except IFRS 18 *Presentation and Disclosure in Financial Statements* will have no material impact on the consolidated financial statements in the foreseeable future.

#### IFRS 18 *Presentation and Disclosure in Financial Statements*

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

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION

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

#### 4.1 Basis of consolidation

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.1 Basis of consolidation *(Continued)*

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

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

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

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

#### 4.2 Investments in associates and joint ventures

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

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

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.3 Revenue from contracts with customers

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

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

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

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.3 Revenue from contracts with customers *(Continued)*

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

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

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

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

###### ***Output method***

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

##### **Principal versus agent**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.3 Revenue from contracts with customers *(Continued)*

##### Recognition of revenue from specific major sources of revenue

The Group derives revenue from its cloud-based and on-premises solutions for financial and tax digitalization solutions, data-driven analytics services and other enterprise needs.

##### Cloud financial and tax digitalization solutions

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

##### *i tax invoice compliance management solutions and financial and tax management solutions*

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.3 Revenue from contracts with customers *(Continued)*

##### Cloud financial and tax digitalization solutions *(Continued)*

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.3 Revenue from contracts with customers *(Continued)*

##### Cloud financial and tax digitalization solutions *(Continued)*

##### *i tax invoice compliance management solutions and financial and tax management solutions (Continued)*

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

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

##### *ii. supply chain collaboration solutions*

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

##### Data-driven analytics services

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

The customers pay usage-based or sales-based fees, at fixed rate. The usage or sales volume reports are confirmed by customers monthly and the revenue is recognized on such monthly basis.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.3 Revenue from contracts with customers *(Continued)*

##### On-premises financial and tax digitalization solutions

The Group sells its on-premises financial and tax digitalization solutions through customized on-premises software products, supporting hardware devices and software purchased from third parties and the associated maintenance and support services.

The customized on-premises software has standalone functionality and are capable of being distinct and therefore is accounted for a separate performance obligation. The Group considers the grant of the licenses for the on-premises software as providing the customers the right to use the Group's intellectual property and the performance obligation is satisfied at a point in time when the software products are accepted by the customers.

Supporting hardware devices and software and maintenance and support services are recognized the same way as in provision the cloud-based financial and tax digitalization solutions.

##### Others

The Group provides advertisement publishing services, comprehensive tax, finance and accounting training for enterprises and education institutions. Revenue related to these services is recognized ratably over the contractual terms.

#### 4.4 Contract costs

##### Costs to fulfill a contract

The Group incurs costs to fulfill a contract in its revenue generating activities. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognizes an asset for these costs only if they meet all of the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- (b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

The asset so recognized is subsequently amortized to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment assessment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.5 Cost of sales

Cost of sales consists primarily of employee benefit expenses, information technology infrastructure and communication charges, depreciation of property, plant and equipment, amortization of costs to fulfill contracts and costs of hardware devices sold. Shipping charges to receive hardware devices from the suppliers are included in inventories, and recognized as cost of sales upon delivery of the hardware devices to the customers.

#### 4.6 Research and development expenses

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) the intention to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Expenditure attributable to the development project during its development can be reliably measured. Other development costs that do not meet those criteria are expensed as incurred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.7 Leases

##### Definition of a lease

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 Leases at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

##### The Group as a lessee

##### *Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

##### Short-term leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

##### Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.7 Leases *(Continued)*

##### **Right-of-use assets** *(Continued)*

- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

##### **Refundable rental deposits**

Refundable rental deposits paid are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.7 Leases *(Continued)*

##### Right-of-use assets *(Continued)*

##### Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which case the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.8 Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. The Group received no such government grants during the year.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

#### 4.9 Employee benefits

##### Pension obligations and other social welfare benefits

Full-time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiaries, including consolidated affiliated entities of the Group make contributions to the government for these benefits based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the contributions made. The Group's contributions to the defined contribution plans are expensed as incurred and not reduced by being forfeited by those employees who leave the plans prior to vesting fully in the contributions.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.9 Employee benefits *(Continued)*

##### Bonus plan

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonuses as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonuses are expected to be settled within one year and are measured at the amounts expected to be paid when they are settled.

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

#### 4.10 Share-based payments

##### Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without raking into consideration all non-market vesting conditions is expensed using straight-line method over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserves). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payments reserves. For share options/other share incentives that vest immediately at the date of grant, the fair value of the share options/other share incentives granted is expensed immediately to profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.10 Share-based payments *(Continued)*

##### **Equity-settled share-based payment transactions** *(Continued)*

When share options are exercised or other share incentives granted are vested, the amount previously recognized in share-based payments reserves will be transferred to capital reserves. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payments reserves will be transferred to accumulated losses.

##### ***Share incentives granted to non-employees***

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognized as expenses (unless the goods or services qualify for recognition as assets).

##### ***Modification to the terms and conditions of the share-based payment arrangement***

When the terms and conditions of the share-based payment arrangement are modified, the Group recognizes, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period. The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.10 Share-based payments *(Continued)*

Equity-settled share-based payment transactions *(Continued)*

*Modification to the terms and conditions of the share-based payment arrangement*  
*(Continued)*

If the modification reduces the total fair value of the share-based arrangement, or is not otherwise beneficial to the employee, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

#### 4.11 Taxation

**Income tax expense represents the sum of current and deferred income tax expense.**

The tax currently payable is based on taxable profit during the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.11 Taxation *(Continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

The Group has applied amendments to IAS 12. For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group recognizes a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.12 Property, plant and equipment

Property, plant and equipments are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipments are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

#### 4.13 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.14 Impairment on property, plant and equipment, right-of-use assets, contract costs and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, contract costs and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, contract costs and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognized immediately in profit or loss.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.14 Impairment on property, plant and equipment, right-of-use assets, contract costs and intangible assets *(Continued)*

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

#### 4.15 Inventories

Inventories consist primarily of goods shipped in transit and stock goods, and are stated at the lower of cost and the net realizable value, using the first-in, first-out method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

#### 4.16 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for sales of on-premises solutions are recognized at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Group's obligation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.17 Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 Revenue from Contracts with Customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the year. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset and financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

#### Financial assets

##### *Classification and subsequent measurement*

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely, payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.17 Financial instruments *(Continued)*

##### Financial assets *(Continued)*

##### *Amortized cost and interest income*

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost and calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of each reporting period following the determination that the asset is no longer credit-impaired.

##### *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortized cost or fair value through other comprehensive income are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in "fair value changes of financial assets and liabilities at fair value through profit or loss ("FVTPL")".

##### *Impairment of financial assets and other items subject to impairment assessment under IFRS 9*

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables, deposits, amounts due from related parties, restricted bank deposits and cash and cash equivalents) and other items including contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.17 Financial instruments *(Continued)*

##### Financial assets *(Continued)*

##### *Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)*

The Group recognizes lifetime ECL for trade receivables, contract assets and amounts due from related parties of trade nature.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e. g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.17 Financial instruments *(Continued)*

##### Financial assets *(Continued)*

##### *Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)*

- (i) Significant increase in credit risk *(Continued)*
- an actual or expected significant deterioration in the operating results of the debtor;
  - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

- (ii) Definition of default
- For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.17 Financial instruments *(Continued)*

##### Financial assets *(Continued)*

##### *Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)*

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender (s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession (s) that the lender (s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization,

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.17 Financial instruments *(Continued)*

##### Financial assets *(Continued)*

##### *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i. e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables and amounts due from related parties of trade nature using a provision matrix taking into consideration historical credit loss experience and forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by the directors to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.17 Financial instruments *(Continued)*

##### **Financial assets** *(Continued)*

##### *Foreign exchange gains and losses*

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Other gains and losses' line item (note 10) as part of the net foreign exchange gains/(losses);

##### *Derecognition of financial assets*

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

##### **Financial liabilities and equity**

##### *Classification as debt or equity*

Financial liabilities and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instrument*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognized at the proceeds received, net of direct issue costs.

##### *Financial liabilities*

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL. The shares with preferential rights subject to mandatory redemption in cash at the option exercisable by holders by agreed date are classified as financial liabilities as set out in Note 33.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.17 Financial instruments *(Continued)*

##### Financial liabilities and equity *(Continued)*

##### *Financial liabilities at amortized cost*

Financial liabilities including trade and other payables and amounts due to related parties are subsequently measured at amortized cost using the effective interest method.

##### *Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits/accumulated losses upon derecognition of the financial liability.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.17 Financial instruments *(Continued)*

##### **Financial liabilities and equity** *(Continued)*

##### **Financial liabilities at FVTPL** *(Continued)*

The Company designates its Shares with Preferential Rights in issuance as financial liabilities at FVTPL, of which the terms are detailed in Note 33. Any directly attributable transaction costs are recognized as finance costs in profit or loss. Fair value changes relating to market risk are recognized in profit or loss.

##### **Derecognition of financial liabilities**

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

##### **Derivative financial instruments**

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss.

##### **Embedded derivatives**

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortized cost or fair value as appropriate.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

##### **Offsetting a financial asset and a financial liability**

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 4.18 Cash and cash equivalents

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of:

- cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

### 5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Groups accounting policies, which are described in Note 4, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical judgment in applying accounting policies

The following are the critical judgment, apart from those involving estimations (see below), that Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

#### Identification of performance obligations in contracts with customers

Contracts with customers may include multiple performance obligations. Judgments are made by Directors to determine whether performance obligations are distinct that should be accounted for separately, or not distinct within the context of the contracts and accounted for together. The directors consider a performance obligation as distinct when the customers can benefit from the good or service either on its own or together with other resources that are readily available to the customers and the Group's promise to transfer the good or service to the customers is separately identifiable from other promises in the contract.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

#### Allocation of transaction price to each distinct performance obligation

When the performance obligations are assessed to be distinct from each other in contracts with customers, the Group allocates the transaction price to each performance obligation based on their relative stand-alone selling prices. The directors generally determine relative standalone selling prices based on its standard price list, taking into consideration of market conditions and our overall pricing strategy.

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Recognition of share-based payment expenses

As set out in Note 35, the Group has granted share economic rights to its employees. The directors have used the Binomial option-pricing model to determine the total fair value of the options granted to employees, which is to be expensed over the vesting period. Significant estimate on assumptions, such as the underlying equity value, risk-free interest rate, expected volatility and dividend yield, is required to be made by the directors in applying the Binomial option-pricing model. The fair value of share economic rights were based on the value of the ordinary shares determined by using the discounted cash flow method with a DLOM. The directors estimate the expected percentage of grantees that will stay within the Group at the end of the vesting periods of the options and share economic rights ("**Expected Retention Rate**") in order to determine the amount of share-based payment expenses charged to the consolidated statement of profit or loss and other comprehensive income. The Expected Retention Rate is assessed based on historical pattern of retentions and management's best estimates.

#### Provision for ECL on trade receivables and contract assets

As set out in Note 38, the financial assets carried at amortized cost are assessed for impairment.

The ECL rates for trade receivables assessed on collective basis are determined by provision matrix model using historical loss rates adjusted for forward-looking estimates, based on days past due for groupings of customer industries. The ECL rates for contract assets assessed on collective basis are estimated by taking into account of probabilities of default and loss given default sourced from public market information adjusted for forward-looking estimates for groupings of various customers based on their industries.

For instance, if forecast economic conditions (i. e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of losses, the historical loss rates of trade receivables and probabilities of default of contract assets will be adjusted.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

#### Provision for ECL on trade receivables and contract assets *(Continued)*

The assessment of the correlation among historical loss rates, probabilities of default, loss given default, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual loss in the future. The information about the ECLs on the Group's trade receivables and contract assets are disclosed in Note 38.

#### Estimation of the fair value of certain financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgments to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

#### Recognition of implementation services revenue

As detailed in Note 4.3, the Group recognizes the implementation services revenue ratably beyond the initial contractual period when those future goods or services are transferred over the expected contract life, primarily based on anticipated renewal period and the estimated life of such services demand which is generally 5 years. The Group will revise the expected contract life where it is different from that of previously estimated. Periodic review could result in a change in expected contract life and therefore the revenue recognition in future periods.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 6. SEGMENT INFORMATION

The Group does not distinguish revenue, costs and expenses between markets or segments in its internal reporting, and reports costs and expenses by nature as a whole.

While the Group offers cloud-based SaaS solutions and on-premises solutions for financial and tax digitalization solutions, data-driven analytics services as well as other enterprise needs, the Group's business operates in one operating segment because most of the Group's sales operate on the Group's financial and tax digitalization as well as data-driven analytics 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 ("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 are derived from the PRC, no geographical information is presented.

During the year, except for the revenue from one customer amounting to RMB79,922,000 (2023: RMB107,658,000), there was no revenue derived from transactions with other single external customer which amounting to 10% or more of the Group's revenue.

### 7. REVENUE

Revenue is derived from the PRC and comprises the following:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Cloud financial and tax digitalization solutions	208,901	219,539
Data-driven analytics services	304,674	352,425
On-premises financial and tax digitalization solutions	144,990	138,132
Others	647	2,900
	<b>659,212</b>	<b>712,996</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 7. REVENUE (Continued)

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Timing of revenue recognition		
– Over time	389,347	370,924
– At a point in time	269,865	342,072
	<b>659,212</b>	<b>712,996</b>

#### Unsatisfied performance obligations

The following table shows the Group's unsatisfied performance obligations resulting from fixed-price contracts for contract terms of more than one year:

Management expects that the Group's unsatisfied performance obligations will be recognized as revenue:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Revenue to be recognized:		
– Within one year	57,557	39,401
– between 1 and 2 years	5,596	17,181
– more than 2 years	1,548	3,798
	<b>64,701</b>	<b>60,380</b>

### 8. OTHER INCOME

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Government grants	4,373	1,944
Tax refund (note a)	521	2,091
Others	466	-
	<b>5,360</b>	<b>4,035</b>

Note a: Tax refund mainly comprises the handling fee of the withheld individual income tax and value added tax deduction.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

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

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Impairment losses, net of reversal, recognized (reversed) on:		
– Trade receivables	6,981	2,100
– Other receivables	(89)	41
– Contract assets	1,347	3,682
	<b>8,239</b>	<b>5,823</b>

### 10. OTHER GAINS AND LOSSES

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Gain on disposal of a joint venture (Note 24)	-	137
Loss on disposal of property, plant and equipment	(388)	(31)
Provision for litigation	(2,442)	-
Impairment loss of interests in associate	(3,553)	-
Net foreign exchange gain	2,912	-
Others	(3,328)	(1,481)
	<b>(6,799)</b>	<b>(1,375)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 11. EXPENSES BY NATURES

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Employee benefit expenses	437,217	427,464
Capitalized in intangible assets (Note 22)	(4,063)	-
Share-based payment expenses	53,979	191,064
Commission and channel expenses	8,962	8,559
Professional service fees	72,231	75,261
Referral fees	142,580	193,423
Outsourcing expenses	28,118	16,462
Traveling and marketing expenses	27,294	20,552
Exhibition and promotion charges	10,020	11,894
Costs of inventories sold	1,683	7,827
Rental and utilities expenses	6,634	6,885
Depreciation of property, plant and equipment	4,139	3,763
Depreciation of right-of-use assets	13,879	13,198
Amortization of intangible assets	1,539	1,521
Listing expenses	24,664	24,107
Auditor's remuneration	5,000	-
Others	18,476	12,959
<b>Total</b>	<b>852,352</b>	<b>1,014,939</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 12. FINANCE INCOME

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Interest income		
– Bank deposits	<b>2,449</b>	6,879

### 13. FINANCE COSTS

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Interest expenses on lease liabilities (Note 21)	<b>361</b>	1,022

### 14. FAIR VALUE CHANGES OF FINANCIAL ASSETS AND LIABILITIES AT FVTPL

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Changes in fair values of financial assets at FVTPL:		
Wealth management products		
– Net unrealized gain	<b>2,794</b>	1,230
– Net realized gain	<b>6,229</b>	7,805
Investments in associates with preferential rights	<b>(57)</b>	(8,734)
Investment in convertible loan	<b>80</b>	-
Arrangement/right to receive additional shares at nominal consideration	<b>2,782</b>	1,681
Changes in fair values of financial liabilities at FVTPL shares with preferential rights (Note 33)	<b>(306,641)</b>	(60,707)
Contingent consideration for investment in an associate	-	2,830
	<b>(294,813)</b>	(55,895)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 15. INCOME TAX EXPENSES

Under the Law of the PRC on Enterprise Income Tax (“**EIT**”) and Implementation Regulation of the EIT Law, the tax rate of the Company and its subsidiaries is 25%.

The Company has been accredited as a “High and New Technical Enterprise” by the Science and Technology Bureau of Beijing and relevant authorities in December 2022 for a term of three years from December 1, 2022 to November 30, 2025. In accordance with “Notice of the State Tax Bureau of the Ministry of Finance Regarding Certain Preferential Treatment Policies on Enterprise Income Tax”, High and New Technical Enterprise is subject to income tax at a tax rate of 15%.

According to the relevant laws and regulations in the PRC, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year from October 1, 2022 onwards.

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

	2024 RMB'000	2023 RMB'000
PRC EIT		
Current tax	457	264
Deferred tax	—	(148)
Total	457	116

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 15. INCOME TAX EXPENSES *(Continued)*

The income tax expenses during the year can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	2024 RMB'000	2023 RMB'000
Loss before tax	(500,859)	(359,174)
Tax at the PRC EIT rate of 25%	(125,215)	(89,794)
Tax effect of share of results of associates and joint ventures	1,329	1,008
Timing of revenue recognition <i>(Note)</i>	93,428	66,950
Effect of additional tax deduction for research and development expenses	(6,713)	(15,038)
Utilization of tax losses previously not recognized	(194)	(245)
Tax effect of tax losses and deductible temporary differences not recognized	37,822	37,235
Income tax expenses	457	116

*Note:* The expenses not deductible for tax purpose primarily comprised the fair value losses of shares with preferential rights, share-based payment expenses and business entertainment expenses that exceed the deductible limit in accordance with the PRC tax law.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 16. DIVIDENDS

No dividends were declared or paid by the Company and its subsidiaries during the year.

### 17. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss by the weighted-average number of ordinary shares outstanding during the year. As the Group incurred net losses for the years ended December 31, 2024 and 2023, the diluted potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the years ended December 31, 2024 and 2023 are the same as basic loss per share of the respective years.

The following table sets forth the computation of the basic and diluted loss per share attributable to the owners of the Company during the years ended December 31, 2024 and 2023:

	Year ended December 31,	
	2024	2023
Loss attributable to owners of the Company (RMB'000)	<b>(501,210)</b>	(357,980)
Weighted average number of ordinary shares outstanding ('000)	<b>183,306</b>	140,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 18. DIRECTORS, CHIEF EXECUTIVES AND SUPERVISORS, EMOLUMENTS

- (a) Details of the emoluments paid/payable to the directors during the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows:

Year ended December 31, 2024

	Director's fee RMB'000	Salaries and wages RMB'000	Pension cost- defined contribution plan RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Performance bonus RMB'000 (Note I)	Share-based payment expenses RMB'000	Total RMB'000
A) EXECUTIVE DIRECTORS							
Ms. Chen Jie (Controlling Shareholder and Chairlady) (Note II)	-	892	66	94	190	-	1,242
Mr. Zou Yan	-	866	66	94	158	-	1,184
Mr. Fu Yingbo (Note III)	-	377	11	20	-	-	408
Mr. Yang Zhengdao (Note IV)	-	799	55	78	-	-	932
Ms. Jin Xin	-	944	66	94	132	-	1,236
Subtotal	-	3,878	264	380	480	-	5,002
B) NON-EXECUTIVE DIRECTORS							
Ms. Huang Miao	-	-	-	-	-	-	-
Mr. Diao Juanhuan	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 18. DIRECTORS, CHIEF EXECUTIVES AND SUPERVISORS, EMOLUMENTS

(Continued)

- (a) Details of the emoluments paid/payable to the directors during the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows: (Continued)

Year ended December 31, 2024 (Continued)

	Director's fee RMB'000	Salaries and wages RMB'000	Pension cost- defined contribution plan RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Performance bonus RMB'000 (Note 1)	Share-based payment expenses RMB'000	Total RMB'000
C) INDEPENDENT NON-EXECUTIVE DIRECTORS							
Mr. Tian Lixin	56	-	-	-	-	-	56
Mr. Song Hua	56	-	-	-	-	-	56
Mr. Wu Changhai	56	-	-	-	-	-	56
Mr. Ng Kwok Yin	73	-	-	-	-	-	73
Subtotal	241	-	-	-	-	-	241
D) SUPERVISORS							
Mr. Li Yunfeng	-	533	66	94	30	800	1,523
Mr. Luo Wenhong	-	-	-	-	-	-	-
Ms. Shi Haixia	-	467	66	94	24	260	911
Subtotal	-	1,000	132	188	54	1,060	2,434
Total	241	4,878	396	568	534	1,060	7,677

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 18. DIRECTORS, CHIEF EXECUTIVES AND SUPERVISORS, EMOLUMENTS

(Continued)

- (a) Details of the emoluments paid/payable to the directors during the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows: (Continued)

Year ended December 31, 2023

	Salaries and wages RMB'000	Pension cost- defined contribution plan RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Performance bonus RMB'000 (Note I)	Share-based payment expenses RMB'000	Total RMB'000
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#### A) EXECUTIVE DIRECTORS

Ms. Chen Jie (Controlling  
Shareholder and Chairlady)

(Note II)

Ms. Chen Jie (Controlling Shareholder and Chairlady) (Note II)	892	63	90	691	-	1,736
Mr. Zou Yan	835	63	90	576	41,996	43,560
Mr. Yang Zhengdao (Note IV)	977	63	90	768	68,243	70,141
Ms. Jin Xin	1,016	63	90	480	-	1,649

Subtotal	3,720	252	360	2,515	110,239	117,086
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#### B) NON-EXECUTIVE DIRECTORS

Ms. Huang Miao

Mr. Diao Juanhuan

Subtotal

Ms. Huang Miao	-	-	-	-	-	-
Mr. Diao Juanhuan	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 18. DIRECTORS, CHIEF EXECUTIVES AND SUPERVISORS, EMOLUMENTS

(Continued)

- (a) Details of the emoluments paid/payable to the directors during the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows: (Continued)

Year ended December 31, 2023 (Continued)

	Salaries and wages RMB'000	Pension cost- defined contribution plan RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Performance bonus RMB'000 (Note I)	Share-based payment expenses RMB'000	Total RMB'000
C) INDEPENDENT NON-EXECUTIVE						
DIRECTORS						
Mr. Tian Lixin	-	-	-	-	-	-
Mr. Song Hua	-	-	-	-	-	-
Mr. Wu Changhai	-	-	-	-	-	-
Mr. Ng Kwok Yin	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
D) SUPERVISORS						
Mr. Li Yunfeng	532	63	90	113	642	1,440
Mr. Luo Wenhong	-	-	-	-	-	-
Ms. Shi Haixia	413	58	82	40	222	815
Subtotal	945	121	172	153	864	2,255
Total	4,665	373	532	2,668	111,103	119,341

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 18. DIRECTORS, CHIEF EXECUTIVES AND SUPERVISORS, EMOLUMENTS

*(Continued)*

- (a) Details of the emoluments paid/payable to the directors during the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows: *(Continued)*

Notes:

- I Bonuses are determined based on the Group's performance and performance of the relevant individual within the Group.
- II Ms. Chen Jie was appointed as executive director and chief executive of the Company.
- III Mr. Fu Yingbo was appointed as executive director of the Company on October 17, 2024.
- IV Mr. Yang Zhengdao was appointed as executive director of the Company on October 6, 2017 and resigned on October 17, 2024.

The executive directors emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. Also, Ms. Huang Miao, Mr. Diao Juanhuan, and Mr. Luo Wenhong did not receive any remuneration from the Company or the Group for their services provided to the Company and the Group. They were nominated by the Company's shareholders and their remunerations were borne by the Company's shareholders.

#### (b) Benefits and interests of Directors

Except for the emoluments disclosed above, there is no other benefits offered to the directors.

#### (c) Directors termination benefits

No director's termination benefit subsisted in both years presented.

#### (d) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available director's services subsisted in both years presented.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 18. DIRECTORS, CHIEF EXECUTIVES AND SUPERVISORS, EMOLUMENTS

(Continued)

#### (e) Information about loans, quasi-loans and other dealings in favor of directors, their controlled bodies and connected entities

Except for the loan to a related party as set out in Note 40, no other loans, quasi-loans or other dealings in favor of directors, their controlled bodies corporate and connected entities subsisted in both years presented.

#### (f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements or contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted in both years presented.

### 19. FIVE HIGHEST PAID EMPLOYEES

The five individuals whose emoluments were the highest in the Group do not include any directors or supervisors for the year ended December 31, 2024. It include 2 Directors or supervisors for the years ended December 31, 2023, and their emoluments are reflected in the analysis shown in Note 18. The emoluments paid/payable to the remaining individuals during the year are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Salaries and wages	2,371	2,571
Pension cost – defined contribution plan	195	164
Other social security costs, housing benefits and other employee benefits	298	233
Performance bonus	52	1,566
Share-based payment expenses	17,343	7,727
Termination pay	900	-
<b>Total</b>	<b>21,159</b>	<b>12,261</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 19. FIVE HIGHEST PAID EMPLOYEES *(Continued)*

The emoluments fell within the following bands:

	Number of individuals Year ended December 31,	
	2024	2023
Emoluments bands:		
HKD3,500,001 to HKD4,000,000	2	1
HKD4,000,001 to HKD4,500,000	2	-
HKD4,500,001 to HKD5,000,000	-	2
HKD6,500,001 to HKD7,000,000	1	-
<b>Total</b>	<b>5</b>	<b>3</b>

During the year, except for the termination pay, none of the directors, CEO and supervisors of the Company had waived any emoluments and no emoluments had been paid by the Group to any of the directors, CEO and supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 20. PROPERTY, PLANT AND EQUIPMENT

	Office equipment RMB'000	Electronic equipment RMB'000	Special equipment RMB'000	Leasehold improvement RMB'000	Owned properties RMB'000	Total RMB'000
<b>COST</b>						
As at January 1, 2023	352	4,933	19,418	14,057	-	38,760
Additions	-	1,098	3,025	917	-	5,040
Disposals	-	-	(335)	-	-	(335)
As at December 31, 2023	352	6,031	22,108	14,974	-	43,465
Additions	85	197	243	1,252	1,387	3,164
Disposals	(83)	(1,617)	(1,251)	-	-	(2,951)
As at December 31, 2024	354	4,611	21,100	16,226	1,387	43,678
<b>DEPRECIATION</b>						
As at January 1, 2023	246	4,377	12,754	12,680	-	30,057
Provided for the year	68	271	2,626	798	-	3,763
Eliminated upon disposals	-	-	(304)	-	-	(304)
As at December 31, 2023	314	4,648	15,076	13,478	-	33,516
Provided for the year	21	504	2,093	1,493	28	4,139
Eliminated upon disposals	(78)	(1,536)	(949)	-	-	(2,563)
As at December 31, 2024	257	3,616	16,220	14,971	28	35,092
<b>CARRYING VALUES</b>						
As at December 31, 2023	38	1,383	7,032	1,496	-	9,949
As at December 31, 2024	97	995	4,880	1,255	1,359	8,586

Property, plant and equipment are depreciated on a straight-line basis after taking into account their estimated residual values with the following useful lives:

Office equipment	5 years
Electronic equipment	3 to 5 years
Special equipment	5 years
Leasehold improvement	Shorter of lease terms or 3 years
Owned properties	20 years

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 21. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

#### (a) Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during the year are as follows:

	For the year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Carrying amount at the beginning of the year	15,103	24,609
Additions	2,054	3,967
Early termination of a lease	-	(275)
Depreciation charge (Note 11)	(13,879)	(13,198)
<b>Carrying amount at the end of the year</b>	<b>3,278</b>	<b>15,103</b>

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Expense relating to short-term leases	3,733	3,657
<b>Total cash outflow for leases</b>	<b>19,164</b>	<b>18,173</b>

The Group leases various offices which are negotiated for terms ranging from 1 to 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Right-of-use assets are depreciated on a straight-line basis over the lease terms.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 21. RIGHT-OF-USE ASSETS/LEASE LIABILITIES *(Continued)*

#### (b) Lease liabilities

The carrying amounts of the Group's lease liabilities and the movements during the year are as follows:

	For the year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Carrying amount at the beginning of the year	15,990	25,796
New leases	2,054	3,967
Early termination of a lease	-	(279)
Accretion of interest recognized (Note 13)	361	1,022
Payments	(15,431)	(14,516)
<b>Carrying amount at the end of the year</b>	<b>2,974</b>	<b>15,990</b>

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Lease liabilities payable		
– within one year	1,710	14,611
– between 1 and 2 years	1,264	1,208
– between 2 and 5 years	-	171
<b>Total</b>	<b>2,974</b>	<b>15,990</b>
Analyzed as:		
Non-current	1,264	1,379
Current	1,710	14,611
<b>Total</b>	<b>2,974</b>	<b>15,990</b>

The lease liabilities were measured at the present value of the payments that are not yet paid using incremental borrowing rates. The following table shows the weighted average incremental borrowing rates applied to lease liabilities:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 21. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (Continued)

#### (b) Lease liabilities (Continued)

	For the year ended December 31,	
	2024	2023
	%	%
Incremental borrowing rate	5.66	5.66

### 22. INTANGIBLE ASSETS

	Development project RMB'000	Software RMB'000	Patents RMB'000	Total RMB'000
COST				
As at January 1, 2023	-	1,867	7,767	9,634
Additions	-	1,062	-	1,062
As at December 31, 2023	-	2,929	7,767	10,696
Additions	4,063	498	-	4,561
As at December 31, 2024	4,063	3,427	7,767	15,257
AMORTIZATION				
As at January 1, 2023	-	1,130	1,543	2,673
Charge for the year	-	699	822	1,521
As at December 31, 2023	-	1,829	2,365	4,194
Charge for the year	31	720	788	1,539
As at December 31, 2024	31	2,549	3,153	5,733
CARRYING VALUES				
As at December 31, 2023	-	1,100	5,402	6,502
As at December 31, 2024	4,032	878	4,614	9,524

The intangible assets above have finite useful lives which are amortized on a straight-line basis over the following periods:

Development project  
Software  
Patents

5 years  
5 years  
5 to 10 years

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 23. INVESTMENTS IN ASSOCIATES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Cost of investments in associates	102,376	80,876
Share of post-acquisition profit	4,474	7,502
Impairment loss (note)	(3,553)	-
	<b>103,297</b>	<b>88,378</b>

Note: As at December 31, 2024, impairment of RMB3,553,000 has been recognized against 25% equity interest in Baiwang Intelligent held by the Group mainly due to the financial performance below the expectation at the initial investment.

As at December 31, 2024 and 2023, the associates of the Group, which were accounted for using equity method, were as follows:

Company name	Place and date of incorporation/establishment and type of legal entity	Principal activities and place of operation	Percentage of ownership as at December 31,	
			2024	2023
Boya Zhongke (Beijing) Information Technology Co., Ltd. (博雅中科(北京)信息技術有限公司) ("Boya Zhongke")	PRC, November 2, 2016/Limited liability company	Sales of finance management software in the PRC	40%	40%
Beijing Baiwang Cube Technology Co., Ltd. (北京百望立方科技有限公司) ("Baiwang Cube") (note a)	PRC, August 26, 2020/Limited liability company	Software development in the PRC	10%	10%
Third Block (Beijing) Digital Economy Industrial Park Co., Ltd. (第三街區(北京)數字經濟產業園有限公司)	PRC, April 25, 2021/ Limited liability company	Software development in the PRC	20%	20%
Guizhou Baiwangyun Technology Co., Ltd. (貴州百望雲科技有限公司)	PRC, July 5, 2021/Limited liability company	Software development and maintenance service in the PRC	40%	40%
Ningbo Lanvuan Baiwang Cloud Digital Technology Co., Ltd. (寧波藍源百望雲數字科技有限公司)	PRC, August 17, 2021/Limited liability company	Supply chain platform in the PRC	40%	40%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 23. INVESTMENTS IN ASSOCIATES (Continued)

Company name	Place and date of incorporation/establishment and type of legal entity	Principal activities and place of operation	Percentage of ownership as at December 31,	
			2024	2023
China Funded Yirong (Beijing) Technology Co., Ltd. (中資易融(北京)科技有限公司) ("China Funded Yirong") (note b)	PRC, November 24, 2021/Limited liability company	Software development in the PRC	15%	15%
Guangxi United Credit Reporting Co., Ltd. (廣西聯合徵信有限公司) ("Guangxi United") (note c)	PRC, December 3, 2018/Limited liability company	Big data service in the PRC	15%	15%
Yunnan Baiwangyun Digital Technology Co., Ltd. (雲南百望雲數字科技有限公司)	PRC, August 8, 2022/Limited liability company	Big data service platform in the PRC	40%	40%
Beijing Baiwang Intelligent Finance and Taxation Technology Co., Ltd. (北京百望智慧財稅科技有限公司) ("Baiwang Intelligent") (note d)	PRC, August 31, 2022/Limited liability company	Development, operation and maintenance of tax information system in the PRC	25%	25%
Beijing Baiwang Cloud network Technology Co., Ltd. (北京百望雲網絡科技有限公司)	PRC, August 11, 2023/Limited liability company	Software development and maintenance service in the PRC	35%	35%
Wuxi Yuanli Kunhou No. 2 Venture Capital Partnership (Limited partnership) (無錫原力坤厚二號創業投資合夥企業(有限合夥)) ("Wuxi Yuanli Kunhou") (note e)	PRC, November 8, 2024/Limited partnership company	Investment in the PRC	54%	-
Wuxi Enterprise Credit Reporting Co., Ltd. (無錫企業徵信有限公司) ("Wuxi Enterprise Credit") (note f)	PRC, August 31, 2024/Limited liability company	Big data service in the PRC	30%	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 23. INVESTMENTS IN ASSOCIATES *(Continued)*

- Note a:* The Group is able to exercise significant influence over Baiwang Cube because it has the right to appoint the executive director of Baiwang Cube under the articles of association of Baiwang Cube.
- Note b:* The Group is able to exercise significant influence over China Funded Yirong because it has the power to appoint one out of the five directors of China Funded Yirong under the articles of association of China Funded Yirong.
- Note c:* The Group is able to exercise significant influence over Guangxi United because it has the power to appoint one out of the five directors of Guangxi United under the articles of association of Guangxi United.
- Note d:* The Group also has the right to require additional shares of Baiwang Intelligent from one of the transferors based on the formula agreed in the agreement for a consideration of RMB1 if Baiwang Intelligent does not meet the specified sum of profit targets covering a three-year period from 2023 to 2025. The Group accounts for the arrangement/right to receive additional shares at nominal consideration as a financial asset at FVTPL, as set out in Note 25.
- Note e:* In November 2024, the Group paid RMB5,000,000 to establish Wuxi Yuanli Kunhou with other three third parties, and as a limited partner, the Group have significant influence over Wuxi Yuanli Kunhou.
- Note f:* In August 2024, the Group entered into a share transfer agreement with a third party pursuant to which the Group acquired 30% equity interest of Wuxi Enterprise Credit for a consideration of RMB16,500,000.

Included in the investments in associates is goodwill of approximately RMB62,544,000 arising on acquisitions of associates as at December 31, 2024 (2023: RMB62,544,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 23. INVESTMENTS IN ASSOCIATES *(Continued)*

#### Summarized financial information of material associates

Summarized financial information in respect of each of the Group's material associate is set out below. The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs.

All of these associates are accounted for using the equity method in these consolidated financial statements.

Boya Zhongke

	As at December 31, 2024 RMB'000	2023 RMB'000
Current assets	58,364	69,188
Non-current assets	5,488	1,897
Current liabilities	16,656	15,718
Non-current liabilities	14	14

	For the year ended December 31, 2024 RMB'000	2023 RMB'000
Revenue	23,352	34,492
Loss and total comprehensive expense for the year	(8,171)	(3,206)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 23. INVESTMENTS IN ASSOCIATES *(Continued)*

#### Summarized financial information of material associates *(Continued)*

Reconciliation of the above summarized financial information to the carrying amount of the interest in the associate recognized in the consolidated financial statements:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Net assets attributable to owners of Boya Zhongke	<b>47,182</b>	55,353
Proportion of the Group's ownership in Boya Zhongke	<b>40%</b>	40%
The Group's share of net assets of Boya Zhongke	<b>18,997</b>	22,287
Goodwill	<b>52,595</b>	52,595
Carrying amount of the Group's interest in Boya Zhongke	<b>71,592</b>	74,882

#### Aggregate information of associates that are not individually material

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
The Group's share of profit (loss) and total comprehensive income (expense) from associates	<b>260</b>	(411)
Aggregate carrying amount of the Group's interests in these associates	<b>31,705</b>	13,496

### 24. INVESTMENTS IN JOINT VENTURES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Cost of investments in joint ventures	<b>6,985</b>	4,951
Share of post-acquisition profit or loss	<b>(4,446)</b>	(2,159)
	<b>2,539</b>	2,792

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 24. INVESTMENTS IN JOINT VENTURES *(Continued)*

As at December 31, 2023 and 2024, the joint ventures of the Group, which were accounted for using equity method, were as follows:

Company name	Place and date of incorporation/ establishment and type of legal entity	Principal activities and place of operation	Percentage of ownership as at December 31,	
			2024	2023
Guizhou Yunshui Digital Technology Co., Ltd. (貴州雲稅數字科技有限公司)	PRC, August 13, 2021/Limited liability company	Big data service platform in the PRC	33%	33%
Baiwang Cloud (Chongqing) Information Technology Service Co., Ltd. (百望雲(重慶)信息技術服務有限公司)	PRC, March 30, 2023/Limited liability company	Software development in the PRC	40%	40%
Shanghai Baiwang Shuzhi Technology Co., Ltd. (上海百望數治信息科技有限公司)	PRC, June 16, 2023/Limited liability company	Software development in the PRC	35%	35%
Henan Baiwang Cloud digital technology Co., Ltd. (河南百望雲數字科技有限公司)	PRC, January 5, 2023/Limited liability company	Software development in the PRC	40%	40%
Heilongjiang Baiwang Cloud Technology Co., Ltd. (黑龍江百望雲科技有限公司)	PRC, June 9, 2023/Limited liability company	Software development in the PRC	35%	35%
Guangdong Baiwang Information Technology Co., Ltd. (廣東百望信息技術有限公司)	PRC, January 6, 2023/Limited liability company	Software development in the PRC	35%	35%
Fujian Baiwang Cloud Technology Co., Ltd. (福建百望雲科技有限公司)	PRC, May 8, 2023/Limited liability company	Software development in the PRC	35%	35%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 24. INVESTMENTS IN JOINT VENTURES *(Continued)*

Aggregate information of joint ventures that are not individually material

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
The Group's share of loss and total comprehensive expense from the joint ventures	(2,287)	(2,328)
Aggregate carrying amount of the Group's interests in the joint ventures	2,539	2,792

### 25. FINANCIAL ASSETS AT FVTPL

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Current:		
Wealth management products issued by banks (Note a)	277,896	268,230
Non-current:		
Investments in associates with preferential rights (Notes b and c)	68,305	27,762
Investment in convertible loan (Note e)	35,080	-
Arrangement/right to receive additional shares at nominal consideration (Notes c and d)	7,454	4,672
Subtotal	110,839	32,434
Total	388,735	300,664

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 25. FINANCIAL ASSETS AT FVTPL (Continued)

*Note a:* The Group's wealth management products are mainly the financial products issued by banks, which are short-term investments with expected rates of return ranging from 0.8% to 2.9%, depending on the market price of underlying financial instruments, including structured deposits. The Group managed and evaluated the performance of investments on a fair value basis in accordance with the Groups risk management and investment strategy. Details of fair value measurements are set out in Note 38.

*Note b:* The carrying amount of investments in associates with preferential rights represents the Group's investment in Beijing Daokou Jinke Technology Co., Ltd. (北京道口金科科技有限公司, "**Daokou Jinke**"), investment in Shanghai Xinghan Information Technology Co., Ltd. (上海星漢信息技術有限公司, "**Shanghai Xinghan**") and investment in Hangzhou Xinfengwei Network Technology Co., Ltd (杭州鑫蜂維網絡科技有限公司 "Hangzhou Xinfengwei").

On January 31, 2021, the Group acquired 26.34% redeemable shares with preferential rights in Daokou Jinke at a consideration of RMB34,015,000, and can exercise significant influence over Daokou Jinke. Upon occurrence of certain future events, the redeemable shares with preferential rights shall be redeemed at request of the Company by Daokou Jinke and/or its controlling owner at the higher of the Company's total investment plus annual interest of 8% accrued over the Group's shareholding period as well as declared dividends payable to the Company, and independent valuation. The Group accounts for the investment as a financial asset at FVTPL, with carrying amount RMB19,669,000 as at December 31, 2024 (2023: RMB18,431,000).

In February 2024, the Group entered into an investment agreement with the existing shareholders of Hangzhou Xinfengwei. Pursuant to the agreement, the Group acquired 2.5007% redeemable share with preferential rights of Hangzhou Xinfengwei through a capital injection of RMB40,000,000 into Hangzhou Xinfengwei. Upon the occurrence of certain future events in Hangzhou Xinfengwei, the Group shall have the right to require the founding shareholders of Hangzhou Xinfengwei to redeem these redeemable shares with preferential rights at the repurchase price of the capital increase subscription price paid for the repurchase of the shares as agreed in the capital increase agreement plus the total amount of 10% simple interest generated during the shareholding period of the Group after deducting the dividends already received by the Group as the repurchase price. The Group accounts for the investment as a financial asset at FVTPL with carrying amount of RMB41,459,000 at December 31, 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 25. FINANCIAL ASSETS AT FVTPL (Continued)

- Note c:* In March 2022, the Group entered into an investment agreement with the existing shareholders of Shanghai Xinghan. Pursuant to which the Group acquired 19.3548% redeemable shares with preferential rights of Shanghai Xinghan through a capital injection of RMB18,000,000 in Shanghai Xinghan, and can exercise significant influence over Shanghai Xinghan. Upon occurrence of certain future events, the redeemable shares with preferential rights shall be redeemed at the request of the Group by Shanghai Xinghan and/or a third party designated by Shanghai Xinghan. at a consideration of the Group's injected capital plus annual compound interest of 8% accrued over the Group's shareholding period minus the dividend received by the Group. The Group accounts for the investment as a financial asset at FVTPL, with carrying amount of RMB6,577,000 as at December 31, 2024 (2023: RMB9,331,000). In part of the investment agreement, the Group also has the right to receive additional shares, from one of Shanghai Xinghan's founding shareholders at nil consideration, based on the formula agreed in the investment agreement if Shanghai Xinghan does not meet the specified sum of revenue targets covering a three-year period from 2022 to 2024. The Group accounts for the said right as a financial asset at FVTPL, with carrying amount of RMB3,625,000 as at December 31, 2024 (2023: RMB2,878,000). RMB13,950,000 of the capital injection into Shanghai Xinghan was paid when the investment agreement was signed. The remaining consideration of RMB4,050,000 is payable if several specific conditions are met, which include performance targets of revenue and net profit of 2024, and the Group accounts for such contingent consideration payable as a financial liability at FVTPL, the fair value for both years presented is nil as valued by the Group with the assistance from an independent professional valuer with reference to the fair value of Shanghai Xinghan's ordinary shares.
- Note d:* The carrying amount of arrangement/right to receive additional shares at nominal consideration represents the Groups right to receive additional shares in Baiwang Intelligent from one of Baiwang Intelligent's owners. In connection with the investment agreement, the Group also has the right to require one of the controlling owners of Baiwang Intelligent to transfer additional shares of Baiwang Intelligent based on the formula agreed in the investment agreement if Baiwang Intelligent does not meet the specified sum of profit targets covering a three-year period from 2023 to 2025. The Group accounts for the said right as a financial asset at FVTPL, with carrying amount of RMB3,829,000 as at December 31, 2024 (2023: RMB1,794,000), as detailed in Note 23.
- Note e:* On November 17, 2024, the Company entered into the convertible loan agreement with Huanqiu Zhilian (Wuxi) Digital Technology Company Limited (環球智鏈(無錫)數字科技有限公司) and Baiwangyun Overseas (Wuxi) Technology Co., LTD (百望雲海外(無錫)科技有限公司) ("Baiwangyun Overseas"), pursuant to which the Company agreed to make available to Baiwangyun Overseas the convertible loan in a principal amount of RMB35,000,000 for one year at an interest rate of 8% per annum, convertible to the equity interest in Baiwangyun Overseas if any outstanding principal amount not being repaid upon maturity. The Group accounts for the investment as a financial asset at FVTPL with carrying amount of RMB35,080,000 at December 31, 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 26. DEFERRED TAXATION

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset when applicable.

The following are the major deferred tax assets (liabilities) recognized and movements thereon during the years ended December 31, 2023 and 2024:

	ECL provisions RMB'000	Fair value adjustments RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Accelerated tax depreciation and amortization RMB'000	Total RMB'000
As at January 1, 2023	–	(148)	(3,641)	3,638	3	(148)
Credit (charge) to profit or loss	11	148	1,175	(1,183)	(3)	148
As at December 31, 2023	<b>11</b>	–	<b>(2,466)</b>	<b>2,455</b>	–	–
Credit (charge) to profit or loss	<b>15</b>	–	<b>1,860</b>	<b>(1,875)</b>	–	–
As at December 31, 2024	<b>26</b>	–	<b>(606)</b>	<b>580</b>	–	–

As at December 31, 2024, the Group had estimated unused tax losses of approximately RMB853,350,000 (2023: RMB702,833,000), which are available for offset against future profits.

No deferred tax asset has been recognized in respect of such tax loss due to the unpredictability of future profit streams.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 26. DEFERRED TAXATION *(Continued)*

The unrecognized tax losses which have fixed expiry date, will be expired in the following years:

	For the year ended December 31,	
	2024 RMB'000	2023 RMB'000
2024	–	15,172
2025	956	956
2026	13,350	13,746
2027	22,836	22,836
2028	168,509	168,888
2029	245,986	189,932
2030	24,108	24,108
2031	63,222	63,222
2032	104,229	104,229
2033	99,744	99,744
2034	110,410	–
Total	853,350	702,833

Note: In accordance with the 4 “Notice on Extending the Period of Loss Carryover for High tech Enterprises and Technological Small and Medium sized Enterprises” (Cai Shui [2018] No. 76), as a High and New Technical Enterprise, the Company has a deductible tax loss expiration period of 10 years.

As at December 31, 2024, the Group had deductible temporary differences of approximately RMB49,455,000 (2023: RMB73,353,000), and among these amounts, approximately RMB41,844,000 (2023: RMB57,021,000), deductible temporary differences have not been recognized as deferred tax assets as it is not probable that such deductible temporary differences would be utilized in the foreseeable future.

### 27. INVENTORIES

	As at December 31,	
	2024 RMB'000	2023 RMB'000
Goods in transit	253	1,112
Goods available for sale	2,138	2,569
Total	2,391	3,681

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 28. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Trade receivables – contracts with customers	<b>74,921</b>	54,132
Less: allowance for credit losses	<b>(11,960)</b>	(5,115)
	<b>62,961</b>	49,017
Notes receivables	<b>569</b>	102
Prepayments		
– to suppliers	<b>6,239</b>	2,466
– to others	<b>1,182</b>	11,656
Value-added tax recoverable	<b>1,837</b>	17,655
Deposits refundable within one year	<b>4,724</b>	5,497
Other receivables		
– bid security	<b>3,612</b>	3,097
– advances to suppliers	<b>1,898</b>	11,794
– others	<b>4,287</b>	3,360
Less: allowance for credit losses	<b>(126)</b>	(216)
	<b>24,222</b>	55,411
Total	<b>87,183</b>	104,428

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

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Within 30 days	<b>21,415</b>	12,011
31 to 180 days	<b>22,730</b>	24,408
181 to 365 days	<b>12,742</b>	5,783
Over 1 year	<b>18,034</b>	11,930
	<b>74,921</b>	54,132

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

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

Out of the past due balances of RMB44,791,000 as at December 31, 2024 (2023: RMB27,310,000), and has been past due 90 days or more of RMB34,126,000 as at December 31, 2024 (2023: RMB19,518,000) is not considered as in default by considering the historical payment arrangement. The Group does not hold any collateral over these balances or charge any interest thereon.

The Group ordinarily grants a credit period within 180 days from invoice date. The extension of credit period to customers may be granted by considering the type of customers, current creditworthiness, financial condition and payment history.

Details of impairment assessment of trade and other receivables are set out in Note 38.

### 29. CONTRACT COSTS

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Costs to fulfill contracts		
Current	44,971	47,104
Non-current	31,690	38,181
	<u>76,661</u>	<u>85,285</u>
	For the year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Costs to fulfill contracts transferred to cost of sales and services	<u>51,075</u>	<u>40,680</u>

The Group recognized an asset in relation to costs to fulfill contracts, which are mostly employee benefit expenses. Contract costs are recognized as part of cost of sales and services in the consolidated statements of profit or loss and other comprehensive income, in the period in which revenue is recognized. The directors expect the contract costs to be completely recovered. There was no impairment in relation to the balance of contract costs during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 30. BANK DEPOSITS/RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Restricted bank deposits	4,180	2,177
Short-term bank deposits with original maturity over three months	-	109,827
Cash and cash equivalents	443,899	335,031
Total	448,079	447,035

#### Restricted bank deposits

Restricted bank deposits refer to the bank balance deposited into the restricted bank accounts for letters of guarantees issued by the banks and the bank balance frozen due to pending litigation. The letters of guarantees are provided to certain of the Group's customers as performance bonds until the completion or agreed progress of the Group's revenue contracts with the customers. The annual interest rates for such balances was 0.10% as at December 31, 2024 (2023: 0.20%).

#### Cash and cash equivalents

Bank balances and cash of the Group comprise bank balances and cash on hand. Bank balances carried interest at prevailing market rates based on daily bank deposit rate for the year. The bank deposits carry interest rate was ranging from 0.10% to 0.35% as at December 31, 2024 (2023: 0.20% to 0.35%).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 31. TRADE AND OTHER PAYABLES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Trade payables	<b>41,593</b>	40,882
Other payables:		
Accrued staff costs	<b>62,564</b>	70,237
Other tax payables	<b>9,986</b>	23,141
Others	<b>19,814</b>	43,826
Subtotal	<b>92,364</b>	137,204
Total	<b>133,957</b>	178,086

The credit period on trade payables is 30–90 days. The following is an aging analysis of the Group's trade payables presented based on the date of purchase recognized at the end of each year:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Within 3 months	<b>28,959</b>	29,480
3 to 6 months	<b>1,778</b>	3,710
6 to 12 months	<b>1,587</b>	2,611
1 to 2 years	<b>4,155</b>	4,621
Over 2 years	<b>5,114</b>	460
Total	<b>41,593</b>	40,882

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 32. CONTRACT ASSETS AND CONTRACT LIABILITIES

	As at December 31, 2024 RMB'000	2023 RMB'000
Contract assets	<b>68,120</b>	74,764
Less: Allowance for credit losses	<b>(5,507)</b>	(4,048)
	<b>62,613</b>	70,716
Analyzed as:		
Current	<b>61,940</b>	70,459
Non-current	<b>673</b>	257
Total	<b>62,613</b>	70,716

	As at December 31, 2024 RMB'000	2023 RMB'000
Contract liabilities	<b>114,720</b>	122,744

As at January 1, 2023, contract liabilities amounted to RMB165,476,000.

#### Revenue recognized in relation to contract liabilities

The following table shows the Group's revenue recognized during the years related to brought forward contract liabilities:

	As at December 31, 2024 RMB'000	2023 RMB'000
Revenue recognized that was included in the contract liabilities balance at the beginning of the year	<b>87,638</b>	140,287



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 32. CONTRACT ASSETS AND CONTRACT LIABILITIES *(Continued)*

#### Significant changes in contract assets and contract liabilities

Contract assets relate to the Group's right to consideration in exchange for goods and services that the Group has transferred to customers. The decrease during the year ended December 31, 2024 is mainly attributable to the business decline of the Group's data-driven analytics services.

Contract liabilities of the Group mainly arise from the non-refundable advance payments made by customers while the underlying services are yet to be provided. The decrease during the year ended December 31, 2024 is mainly due to the revenue increase of the on-premises financial and tax digitalization solutions recognized during the period.

### 33. FINANCIAL LIABILITIES AT FVTPL

During the years from 2016 to 2021, the Group entered into several share subscription agreements with independent investors and issued eight series of shares with preferential rights.

All the shares with preferential rights were automatically converted into 76,645,000 ordinary shares of the Company upon the global offering on July 9, 2024. As a result of the automatic conversion, fair value change of the shares with preferential rights amounting to RMB306,641,000 was recognized immediately in profit or loss with reference to the offer price of HKD36 per share of the global offering on the same date.

Movements in financial liabilities at FVTPL during the year is set out in Note 38.

### 34. SHARE CAPITAL

#### Authorized and issued

	Number of ordinary shares '000	Number of ordinary shares with preferential rights '000	Nominal value of ordinary shares '000
As at January 1, 2023 and December 31, 2023	140,000	76,645	216,645
Issuance of new shares upon global offering (Note a)	9,262	-	9,262
Automatic conversion of preferred shares into ordinary shares upon global offering (Note 33)	76,645	(76,645)	-
As at December 31, 2024	225,907	-	225,907

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 34. SHARE CAPITAL (Continued)

#### Authorized and issued (Continued)

Presented as:

	Share capital RMB'000
As at January 1, 2023 and December 31, 2023	140,000
Issuance of new shares upon global offering (Note)	9,262
Automatic conversion of preferred shares into ordinary shares upon global offering (Note 33)	76,645
	<hr/>
As at December 31, 2024	225,907

**Note:** On July 9, 2024, upon its listing on the Main Board of the Stock Exchange, the Company issued 9,262,000 new ordinary shares at par value of RMB1 per share for cash consideration of HKD36 each, and raised gross proceeds of approximately HKD333,432,000 (equivalent to approximately RMB304,437,000). The respective share capital amount was approximately RMB9,262,000 and share premium arising from the issuance was approximately RMB255,458,000, net of the share issuance costs. The share issuance costs paid mainly include share underwriting commissions, lawyers' fees, reporting accountant's fee and other related costs associated with the listing, which are incremental costs directly attributable to the issuance of new shares. These costs amounting to RMB39,717,000, were treated as a deduction against the share premium arising from issuance.

Included in the share capital was 135,064,706 domestic unlisted shares (the "**Domestic Shares**") of the Company with par value of RMB1.00 per share. In March 2025, the Company submitted an application to the e China Securities Regulatory Commission (the "**CSRC**") in respect of the conversion of the Domestic Shares into H shares (the "**H Shares**") with par value of RMB1.00 each that are listed on the Main board of the Stock Exchange. Upon obtaining all the relevant approvals (including the filings with and/or approvals from the CSRC and the Stock Exchange) and having complied with all the applicable laws, regulations and rules, such Domestic Shares will be converted into H Shares, and the Company will apply to the Stock Exchange for the listing of and permission to deal in such H Shares.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 35. SHARE-BASED PAYMENTS

#### Share-based payments plans

##### (a) 2017 and 2018 Share Incentive

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)), and Ningbo Xiuan (hereinafter collectively referred to as "LLPs"). As at December 31, 2024, the LLPs held 15.4587% in total of the shares of the Company (2023: 16.4565%).

SERs were granted to eligible employees from 2018 to 2020 through the LLPs. The value of SERs is indexed to the equity value of the Company. The vesting of SERs is subject to the requisite service until the completion of IPO. If eligible employees resign before the IPO, the controlling shareholder or parties designated by the Company have the right to repurchase and the resigned employees have to sell the SERs granted and vested at the subscription price. Therefore, the completion of the IPO constitutes a vesting condition. Upon meeting the condition, the grantees may choose to dispose the vested SERs through the LLPs and the LLPs shall dispose the shares of the Company underlying such vested SERs and transfer the proceeds to the grantees. The Group does not bear the obligation to settle the SERs plan for employees, the SERs plan was accounted as an equity transaction for share-based payments. The share-based payment expenses are not recognized until the IPO becomes probable.

In 2020 and 2021, two employees resigned and Ms. Chen Jie and the Company decided to waive the repurchase right of service period related vesting condition in recognition of their contribution to the Group, which resulted in a modification with removal of the vesting condition.

In December 2020, except for the 2018 and 2019 SERs granted to these two employees, the Company cancelled the 2018 and 2019 SERs and accounted for the cancellation as an acceleration of vesting and recognized immediately the amount that otherwise would have been recognized for services received.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 35. SHARE-BASED PAYMENTS *(Continued)*

#### Share-based payments plans *(Continued)*

##### (b) 2018 and 2019 Share Economic Rights ("2018 and 2019 SERs")

The movement of the 2018 and 2019 SERs during the year ended December 31, 2023 and 2024 is as follows:

	Number of 2018 and 2019 SERs '000	Weighted- average grant date fair value RMB
As at January 1, 2023	1,400	11.92
Forfeited	(700)	11.92
As at December 31, 2023	700	11.92
Vested and exercised	(700)	11.92
As at December 31, 2024	-	-

The 2018 and 2019 SERs were priced using the value of the ordinary shares determined by using the discounted cash flow method with a DLOM. The key inputs used to evaluate the grant date fair value are as follows:

	2018 and 2019 SERs
Discount rate	19.00%-21.00%
DLOM	16.00%-21.00%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 35. SHARE-BASED PAYMENTS *(Continued)*

#### Share-based payments plans *(Continued)*

##### (c) The 2020 SERs Scheme

In 2021 and 2022, pursuant to 2020 SERs Scheme, an aggregate of 13,780,000 SERs of the LLPs were granted, representing 13,780,000 ordinary shares of par value of RMB1 each in the share capital of the Company with the subscription price at RMB1.23 ("**2020 SERs I**") or RMB2.51 ("**2020 SERs II**") each SER to eligible employees. The vesting is subject to the requisite service until the completion of the IPO of which 25% of the SERs are to be vested upon the completion of the IPO, and 25% in each of the subsequent three years. The SERs could not be sold during the period from date of grant to 3 years after the completion of the IPO ("**Lock-up Period**"), after which 50% of vested SERs can be sold by the SERs holders in each of the subsequent two years. If the eligible employees resign during the Lock-up Period, the controlling shareholder or parties designated by the Company have the right to repurchase and the resigned employees have to sell the unvested SERs at the subscription price. The share-based payment expenses are not recognized until the IPO becomes probable.

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 RMB 1.23/2.51 ("**2020 SERs III**") for each SER. The 2020 SERs III were not subject to the IPO condition and were fully vested upon the grant.

In 2022, the Company made the following modifications to the 2020 SERs I and 2020 SERs II:

- 1) For 2020 SERs I, the SERs could not be sold from the date of grant to 1 year after the completion of the IPO ("**Revised Lock-up Period**"), after which 50%, 25% and 25% of vested SERs can be sold in each of the subsequent three years. If the eligible employees resign during the Revised Lock-up Period and first 2 years 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**").
- 2) For 2020 SERs II, the SERs could not be sold from the date of grant to 1 year after the completion of the IPO, after which 20%, 20%, 30% and 30% of vested SERs could be sold in each of the subsequent four years. If the eligible employees resign during the Revised Lock-up Period and first 2 years after the Revised Lock-up period, the controlling shareholder or parties designated the Company have the right to repurchase and the resigned employees have to sell the unvested SERs at the subscription price ("**2022 SERs II**")

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 35. SHARE-BASED PAYMENTS *(Continued)*

#### Share-based payments plans *(Continued)*

##### (c) The 2020 SERs Scheme *(Continued)*

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 31 December 2023.

In 2024, several employees resigned from the Company, Ms. Chen Jie and the Company decided to waive the repurchase right of service period related vesting condition in recognition of their contribution to the Group, which resulted in a modification with removal of the vesting condition, the remuneration committee, in its ultimate discretion, made a decision in 2024 (that is, before 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 CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 35. SHARE-BASED PAYMENTS *(Continued)*

#### Share-based payments plans *(Continued)*

##### (c) The 2020 SERs Scheme *(Continued)*

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, 2023	15,985	16.56
Granted during the year	5,450	20.94
Forfeited	(595)	15.97
As at December 31, 2023	20,840	17.72
Forfeited	(735)	16.07
Vested and exercised	(14,441)	18.54
As at December 31, 2024	5,664	15.85

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%

##### (d) The 2022 SERs Scheme

In 2023, pursuant to the 2022 SERs I and 2022 SERs II, an aggregate of 7,355,000 SERs of the LLPs were granted, representing 7,355,000 ordinary shares at par value of RMB1 each in the share capital of the Company with the subscription price of RMB1.23 or RMB2.51 each, respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 35. SHARE-BASED PAYMENTS *(Continued)*

#### Share-based payments plans *(Continued)*

##### (d) The 2022 SERs Scheme *(Continued)*

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

	Number of 2022 SERs <i>'000</i>	Weighted- average grant date fair value <i>RMB</i>
As at January 1,2023	445	17.39
Granted during the year	7,355	17.80
Forfeited	(210)	17.28
As at December 31,2023	7,590	17.79
Forfeited	(936)	17.43
Vested and exercised	(1,821)	17.82
As at December 31,2024	4,833	17.85

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%

The share-based payment expenses of RMB53,979,000, which include the expenses of the 2020 SERs Scheme, was recognized during the year ended December 31,2024 (2023: RMB76,938,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 36. CAPITAL COMMITMENTS

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Capital expenditure in respect of acquisition of equity interests in associates and lease commitments	<b>71,651</b>	13,930

The capital commitment mainly represents the outstanding capital injection commitments in certain investments in 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.

### 37. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the capital. The Group may issue new shares.

### 38. FINANCIAL INSTRUMENTS

#### Financial instruments by categories

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Financial assets		
Amortized cost	<b>542,926</b>	519,753
Financial assets at FVTPL	<b>388,735</b>	300,664
	<b>931,661</b>	820,417
Financial liabilities		
Amortized cost	<b>56,103</b>	81,045
Financial liabilities at FVTPL	-	2,212,629
	<b>56,103</b>	2,293,674

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 38. FINANCIAL INSTRUMENTS *(Continued)*

#### Financial risk management

The Group's activities expose it to a variety of financial risks, such as market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the directors.

The Group's major financial instruments include financial assets at FVTPL, trade and other receivables, bank balances and cash, restricted bank deposits, term deposits, amounts due from related parties, trade and other payables, amounts due to related parties and financial liabilities at FVTPL. Details of the financial instruments are disclosed in respective notes. The policies on how to mitigate these risks are set out below. The directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### (a) Market risk

##### *Interest rate risk*

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest rate risk, whereas fixed rate instruments expose the Group to fair value interest risk. The Group's cash flow interest rate risk primarily arose from bank balances and cash with market interest rate and market interest rate indexed wealth management products, details of which have been disclosed in Note 30 and Note 25, respectively. The Group's fair value interest rate risk primarily arises from term deposits and lease liabilities, details of which have been disclosed in Note 30 and Note 21 respectively.

The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

The directors consider that the impact to profit or loss for respective years are insignificant for a reasonable change in the market interest rate. Accordingly, no sensitivity analysis is prepared.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 38. FINANCIAL INSTRUMENTS *(Continued)*

#### Financial risk management *(Continued)*

##### (a) Market risk *(Continued)*

##### *Other price risk*

The Group is exposed to price risk in respect of part of its market price indexed wealth management products, investments in associates with preferential rights, investment in convertible loan and arrangement/right to receive additional shares at nominal consideration. The Group has appointed a special team to monitor the price risk.

The Group currently does not have a policy to hedge the other price risk. However, the management closely monitors such risk by maintaining a portfolio of investments with different risks.

Sensitivity analyses for shares with preferential rights fair value measurement categorized within Level 3 were not disclosed as the directors consider that the whole balance has been converted into ordinary shares as set out in Note 33.

The Group's sensitivities to market price indexed wealth management products, investments in associates with preferential rights, investment in convertible loan and arrangement/right to receive additional shares at nominal consideration at the end of each reporting period while all other variables were held constant are as follows:

	2024	2023
Reasonably possible change in relevant market indexes	16%	15%
	RMB'000	RMB'000
(Increase) decrease in post-tax loss and total comprehensive expense for the year		
as a result of decrease in relevant market indexes	(62,198)	(4,049)
as a result of increase in relevant market indexes	62,198	4,049

##### (b) Credit risk and impairment assessment

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risk is mainly associated with trade and other receivables, Cash and cash equivalents, restricted bank deposits, term deposits, amounts due from related parties and contract assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 38. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management (Continued)

##### (b) Credit risk and impairment assessment (Continued)

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statements of financial position.

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

			Gross carrying amount As at December 31,	
			2024	2023
	Notes	12m or Lifetime ECL	RMB'000	RMB'000
Financial assets at amortized cost				
Cash and cash equivalents	30	12m ECL	443,899	335,031
Restricted bank deposits	30	12m ECL	4,180	2,177
Short-term bank deposits with maturity over three months	30	12m ECL	–	109,827
Notes receivables	28	12m ECL	569	102
		Lifetime ECL		
Trade receivables	28	(not credit- impaired)	71,448	52,206
		Lifetime ECL		
Trade receivables	28	(credit- impaired) Lifetime ECL	3,473	1,926
Contract assets	32	(not credit- impaired)	63,219	71,302
		Lifetime ECL		
Contract assets	32	(credit- impaired)	4,901	3,462
Other receivables and deposits	28	12m ECL Lifetime ECL	14,458	23,685
Other receivables and deposits	28	(credit-impaired)	63	63
Amounts due from related parties		Lifetime ECL		
– trade nature	40	(not credit- impaired)	17,058	64
		Lifetime ECL		
– trade nature	40	(credit- impaired)	1,125	1,125
		Lifetime ECL		
– contract assets	40	(not credit- impaired)	6,177	17,442
– non-trade nature	40	12m ECL	–	3



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 38. FINANCIAL INSTRUMENTS *(Continued)*

#### Financial risk management *(Continued)*

##### (b) Credit risk and impairment assessment *(Continued)*

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

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

The Group has concentration of credit risk as 20.2% and 18.7% of the total trade receivables was due from the Group's largest debtor and 34.1% and 41.7% of the total trade receivables was due from the Group's five largest debtors as at December 31, 2023 and 2024, respectively. In order to manage the credit risk, the management of the Group has delegated a team responsible for monitoring the credit approvals and collection status.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 38. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management (Continued)

#### (b) Credit risk and impairment assessment (Continued)

	Gross carrying amount RMB'000	ECL rate	Loss allowance RMB'000
<i>As at December 31, 2024</i>			
<b>Trade receivables (including amounts due from related parties)</b>			
Assessed individually	27,416	4.87%	1,335
Assessed on collective basis (by aging)			
– 0-90 days	24,448	1.21%	297
– 91-180 days	9,415	5.36%	505
– 181-365 days	8,055	8.29%	668
– Over 1 year	23,770	43.82%	10,416
	<u>93,104</u>		<u>13,221</u>
<b>Contract assets (including amounts due from related parties)</b>			
Assessed individually	29,389	17.42%	5,121
Assessed on collective basis	44,908	1.00%	447
	<u>74,297</u>		<u>5,568</u>
	<u>167,401</u>		<u>18,789</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 38. FINANCIAL INSTRUMENTS *(Continued)*

#### Financial risk management *(Continued)*

##### (b) Credit risk and impairment assessment *(Continued)*

	Gross carrying amount RMB'000	ECL rate	Loss allowance RMB'000
<i>As at December 31, 2023</i>			
Trade receivables (including amounts due from related parties)			
Assessed individually	18,180	6.77%	1,231
<b>Assessed on collective basis (by aging)</b>			
– 0-90 days	21,554	1.13%	243
– 91-180 days	4,212	4.87%	205
– 181-365 days	3,827	6.40%	245
– Over 1 year	7,548	57.18%	4,316
	<u>55,321</u>		<u>6,240</u>
<b>Contract assets (including amounts due from related parties)</b>			
Assessed individually	45,388	8.28%	3,759
Assessed on collective basis	46,818	0.99%	462
	<u>92,206</u>		<u>4,221</u>
	<u>147,527</u>		<u>10,461</u>

The following table shows the movement in lifetime ECL that has been recognized for trade receivables, contract assets and amounts due from related parties of trade nature under the simplified approach.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 38. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management (Continued)

##### (b) Credit risk and impairment assessment (Continued)

###### Trade receivables

	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at January 1,2023	2,531	1,609	4,140
Transfer to credit-impaired	(1,442)	1,442	–
Impairment losses recognized	5,018	–	5,018
Impairment losses reversed	(2,918)	–	(2,918)
As at December 31,2023	3,189	3,051	6,240
Transfer to credit-impaired	(422)	422	–
Impairment losses recognized	8,335	–	8,335
Impairment losses reversed	(1,354)	–	(1,354)
As at December 31,2024	9,748	3,473	13,221

###### Contract assets

	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at January 1,2023	539	–	539
Transfer to credit-impaired	(34)	34	–
Impairment losses recognized	737	3,428	4,165
Impairment losses reversed	(483)	–	(483)
As at December 31,2023	759	3,462	4,221
Transfer to credit-impaired	–	–	–
Impairment losses recognized	2,850	–	2,850
Impairment losses reversed	(1,503)	–	(1,503)
As at December 31,2024	2,106	3,462	5,568

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 38. FINANCIAL INSTRUMENTS *(Continued)*

#### Financial risk management *(Continued)*

##### (b) Credit risk and impairment assessment *(Continued)*

The management believes that there is no significant increase in credit risk of notes receivables, other receivables and deposits, and amounts due from related parties of non-trade nature since initial recognition and the Group provided impairment based on 12m ECL. For the years ended December 31, 2024 and 2023, the Group assessed the ECL for other receivables and amounts due from related parties of non-trade nature are insignificant.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, on which the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 38. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management (Continued)

##### (c) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, term deposits and operating cash flows, the directors believe that the Group will have sufficient financial resources to satisfy its future working capital in the next twelve months from the date of the report.

The following table details remaining contractual maturity of the Group's financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities on the earliest date which the Group can be required to pay. The maturity dates are based on the agreed repayment dates.

The table includes both interest and principal cash flows.

	Weighted average interest rate	Carrying amount RMB'000	On demand or less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total RMB'000
As at December 31, 2024						
Trade and other payables	–	53,672	53,672	–	–	53,672
Amounts due to related parties	–	2,431	2,431	–	–	2,431
Lease liabilities	5.66%	2,974	1,964	1,294	–	3,258
		<u>59,077</u>	<u>58,067</u>	<u>1,294</u>	<u>–</u>	<u>59,361</u>
As at December 31, 2023						
Trade and other payables	–	76,695	76,695	–	–	76,695
Amounts due to related parties	–	4,350	4,350	–	–	4,350
Financial liabilities at FVTPL	8.00%	2,212,629	1,947,845	–	–	1,947,845
Lease liabilities	5.66%	15,990	14,924	1,245	173	16,342
		<u>2,309,664</u>	<u>2,043,814</u>	<u>1,245</u>	<u>173</u>	<u>2,045,232</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 38. FINANCIAL INSTRUMENTS *(Continued)*

#### 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.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value.

The following tables provide the fair value measurement hierarchy of the Group's financial assets and liabilities:

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024				
Assets:				
Financial assets at FVTPL	—	277,896	110,839	388,735
As at December 31, 2023				
Assets:				
Financial assets at FVTPL	—	268,230	32,434	300,664
Liabilities:				
Financial liabilities at FVTPL	—	—	2,212,629	2,212,629

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 38. FINANCIAL INSTRUMENTS (Continued)

#### Fair value measurement of financial instruments (Continued)

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

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

Financial assets/liabilities	Carrying amount 2024 RMB'000	Carrying amount 2023 RMB'000	Fair value hierarchy	Valuation technique (s) and key input (s)	Significant unobservable input (s)	Relationship of unobservable inputs to fair
Wealth management products	277,896	268,230	Level 2	Discounted cash flow	N. A	N. A
Investments in associates with preferential rights	68,305	27,762	Level 3	Income approach	Expected future cash flow	The more the cash flow, the higher the fair value
				Combination of Probability-weighted Option Price Method	DLOM	The lower the DLOM, the higher the fair value
				Black-Scholes Model	Credit Spread	The higher the rate, the lower the fair value
Investment in convertible loan	35,080	–	Level 3	Black-Scholes Model	Credit Spread	The higher the rate, the lower the fair value
Arrangement/right to receive additional shares at nominal consideration	7,454	4,672	Level 3	Income approach	Expected future cash flow	The more the cash flow, the higher the fair value

During the year, fair value changes arose from the financial assets classified within Level 2 and 3 as listed in the table above were insignificant. The directors consider that any reasonable changes in the significant unobservable inputs would not result in a significant change in the Group's results. Accordingly, no sensitivity analysis is presented.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 38. FINANCIAL INSTRUMENTS *(Continued)*

#### Fair value measurement of financial instruments *(Continued)*

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

The determination of the fair value for share-based payments are set out in Note 35.

For assets and liabilities that are measured at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting end. During the year, there were no transfers among different levels of fair values measurement.

	Investments in associates with preferential rights, investments in convertible loan and the arrangement/ right to receive	Shares with Preferred Rights	Contingent consideration	
Wealth management products	additional shares at nominal consideration			
RMB'000	RMB'000	RMB'000	RMB'000	
As at January 1,2023	400,900	39,487	(2,151,922)	(2,830)
Purchase	747,000	—	—	—
Redemption	(888,705)	—	—	—
Changes in fair value	9,035	(7,053)	(60,707)	2,830
As at December 31,2023	268,230	32,434	(2,212,629)	—
Purchase	1,092,102	—	—	—
Redemption	(1,091,459)	—	—	—
Investment in FVTPL	—	75,600	—	—
Changes in fair value	9,023	2,805	(306,641)	—
Automatic conversion of preferred shares upon global offering	—	—	2,519,270	—
As at December 31,2024	277,896	110,839	—	—

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 38. FINANCIAL INSTRUMENTS *(Continued)*

#### Fair value measurement of financial instruments *(Continued)*

**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 amortized cost in the consolidated financial statements approximate their fair values at the end of each reporting period.

### 39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statements of cash flows as cash flows from financing activities.

	Share with Preferential Rights <i>RMB'000</i>	Prepayments of share issued costs <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
As at January 1,2023	2,151,922	(2,377)	25,796	2,175,341
Financing cash flows	–	(5,139)	(14,516)	(19,655)
New lease entered and early termination of a lease, net	–	–	3,688	3,688
Finance costs	–	–	1,022	1,022
Changes in fair values of financial liabilities at FVTPL	60,707	–	–	60,707
As at December 31,2023	2,212,629	(7,516)	15,990	2,221,103
Financing cash flows	–	–	(15,431)	(15,431)
Financing non-cash flows	–	7,516	–	7,516
New lease entered and early termination of a lease, net	–	–	2,054	2,054
Finance costs	–	–	361	361
Fair value losses on financial liabilities at FVTPL	306,641	–	–	306,641
Conversion of preferred shares to ordinary shares upon global offering	(2,519,270)	–	–	(2,519,270)
As at December 31,2024	–	–	2,974	2,974

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 40. RELATED PARTY TRANSACTIONS

#### Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the year.

Name of related parties	Relationship with the Group
Ms. Chen Jie	The Controlling Shareholder and Chairman
Mr. Chen Lin	The brother of the Controlling Shareholder
Baiwang Intelligent (Note 1)	Associate
Guomai Xin'an Technology Co., Ltd. (北京國脈信安科技有限公司) ("Guomai Xin'an") (Note 1)	Significantly influenced by the Controlling Shareholder
Fosun Holdings Limited and its subsidiaries ("Fosun") (Note 1)	Non-controlling shareholder with significant influence
Boya Zhongke (Note 1)	Associate
Baiwang Jinshui (Note 1)	Joint venture
Guangxi United (Note 1)	Associate
Shanghai Xinghan (Note 1)	Associate
Beijing Wisedoing Network Information Technology Co., Ltd. (北京唯致動力網絡信息科技有限公司) ("Wisedoing") (Note 1)	Controlled by Mr. Chen Lin
Yunnan Baiwangyun (Note 1)	Associate
Wuxi Enterprise Credit (Note 1)	Associate

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 40. RELATED PARTY TRANSACTIONS *(Continued)*

#### Transactions with related parties

The Group have the following transactions and balances with related parties:

Name of related parties	Nature of transactions	Year ended December 31,	
		2024	2023
		RMB'000	RMB'000
Guangxi United	Provision of services	79,923	58,387
Wuxi Enterprise Credit	Provision of services	9,085	—
Yunnan Baiwangyun	Provision of services	82	—
Baiwang Intelligent	Provision of services	28	—
Fosun	Provision of services	—	171
Baiwang Jinshui	Provision of services	—	812
Others	Provision of services	1,217	134
Total		90,335	59,504

Name of related parties	Nature of transactions	Year ended December 31,	
		2024	2023
		RMB'000	RMB'000
Guomai Xin'an	Purchases of services and products	714	6,976
Boya Zhongke	Purchases of services and products	248	531
Shanghai Xinghan	Purchases of services and products	218	653
Yunnan Baiwangyun	Purchases of services and products	520	588
Wuxi Enterprise Credit	Purchases of services	37	—
Others	Purchases of services	6,187	628
Total		7,924	9,376

In the opinion of the directors, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 40. RELATED PARTY TRANSACTIONS (Continued)

#### Balance with related parties

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

#### Amounts due from related parties

Nature of balances with related parties	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Trade receivables	16,922	64
Other receivables	–	3
Prepayments	7	–
Contract assets	6,116	17,269
Subtotal	23,045	17,336

Name of related parties	Nature of transactions (note a)	As at December 31,	
		2024	2023
		RMB'000	RMB'000
Guangxi United	Trade	17,793	17,321
Wuxi Enterprise Credit	Trade	5,221	–
Others	Trade	31	12
Subtotal		23,045	17,333
Others	Non-trade	–	3
Total		23,045	17,336

The maximum amount outstanding during the years ended December 31, 2023 and 2024 in respect of the amounts due from a director and companies controlled by a director are RMB3,000.

Note:

- a. Balances of trade nature are unsecured, interest-free, and aged within one year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 40. RELATED PARTY TRANSACTIONS (Continued)

#### Balance with related parties (Continued)

##### Amounts due from related parties (Continued)

Nature of balances with related parties	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Trade payables	1,831	4,146
Other payables	600	204
Contract liabilities	26,788	19,693
Total	29,219	24,043

Name of related parties	Nature of transactions (note a)	As at December 31,	
		2024	2023
		RMB'000	RMB'000
Guangxi United	Trade	24,851	19,356
Wuxi Enterprise Credit	Trade	911	—
Yunnan Baiwangyun	Trade	469	—
Boya Zhongke	Trade	281	210
Guomai Xin'an	Trade	30	3,562
Others	Trade	2,077	711
Subtotal		28,619	23,839

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 40. RELATED PARTY TRANSACTIONS *(Continued)*

#### Balance with related parties *(Continued)*

#### Amounts due to related parties *(Continued)*

Name of related parties	Nature of transactions (note b)	As at December 31,	
		2024 RMB'000	2023 RMB'000
Wisedoing	Non-trade	–	112
Others	Non-trade	<b>600</b>	92
Subtotal		<b>600</b>	204
Total		<b>29,219</b>	24,043

Notes:

- Balances of trade nature are unsecured, interest-free and aged within one year.
- Balances of non-trade nature are unsecured, interest-free and repayable on demand.

#### Key management personnel compensation

The remuneration of directors and other members of key management personnel during the year was as follows:

	Year ended December 31,	
	2024 RMB'000	2023 RMB'000
Salaries and bonuses	<b>7,133</b>	10,154
Share-based payments	<b>5,080</b>	115,363
Welfare, medical and other benefits	<b>1,072</b>	1,069
Total	<b>13,285</b>	126,586

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 41. RETIREMENT BENEFIT PLANS

The employees of the Group in PRC are members of a state-managed retirement benefit plan operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authorities to the retirement benefit plan to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions under the plan. The retirement benefits cost has been included in employee benefit expenses as set out in Note 11 for the years ended December 31, 2024 amounted to RMB44,035,000 (2023: RMB38,254,000).

### 42. PARTICULARS OF PRINCIPAL SUBSIDIARIES

During the year and at the date of these financial statements, the Company has direct and indirect interests in the following principal subsidiaries:

Name of subsidiaries/ consolidated affiliated entities	Place of incorporation/ registration/ operations	Paid up capital RMB'000	Proportion of ownership interest attributable to the Company As at December 31,		Principal activities
			2024 %	2023 %	
Beijing Baiwang Jinkong Technology Co., Ltd. (北京百望金控科技有限公司) ( "Baiwang Jinkong" )	PRC	90,000	100	100	Investment holding and technology services
Beijing Baiwang Enterprise Service Technology Co., Ltd. (北京百望企服科技有限公司)	PRC	3,000	100	100	Software maintenance
Beijing Baiwang Huiyan Data Technology Co., Ltd. (北京百望慧眼數據科技有限公司)	PRC	50,000	100	100	Supply chain finance and financial technology cloud
Baiwangyun Technology (Beijing) Co., Ltd. (百望 雲科技(北京)有限公司)	PRC	400	100	100	Investment holding and technology services
Chonaqing Zhishui Yun Technology Co., Ltd. (重 慶智稅雲科技有限公司)	PRC	–	100	100	Software services
Baiwang Maoyi (Suzhou) Software Co., Ltd. (百 望貿宜(蘇州)軟件有限公司) ( "Baiwang Maoyi" )	PRC	–	85	85	Software services

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 42. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiaries/ consolidated affiliated entities	Place of incorporation/ registration/ operations	Paid up capital RMB'000	Proportion of ownership interest attributable to the Company As at December 31,		Principal activities
			2024 %	2023 %	
Anhui Zhishuiyun Information Technology Co., Ltd. (安徽智稅雲信息科技有限公司)	PRC	–	100	100	Software services
Hangzhou Baiwangyun Technology Co., Ltd. (杭 州百望雲科技有限公司)	PRC	–	100	100	Software services
Henan Baiwang Enterprise Service Digital Technology Co., Ltd. (河南百望企服數字科技 有限公司)	PRC	3,000	100	100	Software services

*Note:* The English translation of the names is for reference only. The official names of these companies are in Chinese.

All companies comprising the Group have adopted December 31, as their financial year end date. No audited financial statements of the Group have been prepared for the years ended December 31, 2023 and 2024 since there are no statutory audit requirements in the jurisdictions.

### 43. EVENTS AFTER THE REPORTING PERIOD

In January 2025, the Company, together with other independent third parties, jointly established Wuxi Huishan Yuanxinxiwang 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)) through its wholly-owned subsidiary Baiwang Jinkong acquiring a 7.1942% equity interest for a total consideration of RMB30.0 million as a limited partner, of which RMB19.4 million was paid in February 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 44. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
<b>Non-current assets</b>		
Property, plant and equipment	8,381	9,602
Right-of-use assets	2,131	13,096
Intangible assets	9,522	6,499
Investment in subsidiaries	143,017	103,017
Investments in associates	71,718	75,029
Financial assets at FVTPL	54,749	18,431
Contract costs	31,690	38,181
Contract assets	673	257
	<b>321,881</b>	<b>264,112</b>
<b>Current assets</b>		
Inventories	2,391	3,681
Contract costs	44,971	47,104
Contract assets	47,994	66,355
Trade and other receivables, deposits and prepayments	74,251	74,358
Amounts due from related parties	243,919	138,147
Financial assets at FVTPL	277,896	268,230
Restricted bank deposits	3,102	2,177
Short-term bank deposits with maturity over three months	–	109,827
Cash and cash equivalents	401,606	286,604
	<b>1,096,130</b>	<b>996,483</b>
<b>Current liabilities</b>		
Lease liabilities	542	13,752
Trade and other payables	101,144	137,892
Contract liabilities	113,076	118,403
Financial liabilities at FVTPL	–	2,212,629



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 44. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(Continued)

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Amounts due to related parties	104,340	72,044
	319,102	2,554,720
<b>Net current assets (liabilities)</b>	<b>777,028</b>	<b>(1,558,237)</b>
<b>Total assets less current liabilities</b>	<b>1,098,909</b>	<b>(1,294,125)</b>
<b>Capital and reserves</b>		
Share capital	225,907	140,000
Reserves	871,911	(1,434,399)
<b>Total equity (deficits)</b>	<b>1,097,818</b>	<b>(1,294,399)</b>
Non-current liabilities		
Lease liabilities	1,091	274
<b>Total equity (deficits) and non-current liabilities</b>	<b>1,098,909</b>	<b>(1,294,125)</b>

The Company's statement of financial position were approved and authorized for issue by the board of directors on March 31, 2025 and were signed on its behalf by:

Ms. Chen Jie, DIRECTOR

Mr. Fu Yingbo, DIRECTOR

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 44. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(Continued)

#### Movement in the Company's reserves

	Share premium	Capital reserves	Share-based payments reserves	Accumulated losses	Total deficits
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1,2023	–	456,044	61,624	(1,828,030)	(1,310,362)
Loss and total comprehensive expense for the year	–	–	–	(315,101)	(315,101)
Recognition of share-based payment expenses	–	114,126	76,938	–	191,064
Forfeiture of share-based payment expenses	–	–	(8,343)	8,343	–
As at December 31,2023	–	570,170	130,219	(2,134,788)	(1,434,399)
Loss and total comprehensive expense for the year	–	–	–	(445,752)	(445,752)
Recognition of equity-settled share- based payments	–	–	53,979	–	53,979
Issuance of new shares upon global offering	295,175	–	–	–	295,175
Transaction costs attributable to issue of new shares	(39,717)	–	–	–	(39,717)
Automatic conversion of preferred shares into ordinary shares upon global offering	2,442,625	–	–	–	2,442,625
As at December 31,2024	2,698,083	570,170	184,198	(2,580,540)	871,911

#### Capital reserves

The balance mainly represents the difference between the fair values of the equity instruments of the Company contributed by the shareholders to the employees and a consultant and the consideration paid by the employees and a service provider.