BAIWANG CO., LTD.
百望股份有限公司

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

(Stock code: 6657)

FURTHER DEVELOPMENT OF CONNECTED TRANSACTION IN RELATION TO THE CONVERTIBLE LOAN AGREEMENT

INTRODUCTION

References are made to the announcements of Baiwang Co., Ltd. (the "**Company**") dated November 17, 2024 and December 3, 2025 (the "**Announcements**") in relation to the execution of the Convertible Loan Agreement by the Company with Huanqiu Zhilian and Baiwangyun Overseas and the extension of the period for the Company to exercise the Conversion Option. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

FURTHER DEVELOPMENT OF CONVERTIBLE LOAN AGREEMENT

The Board hereby announces that on December 31, 2025 (after trading hours), the Company entered into a capital increase agreement (the "**Capital Increase Agreement**") with Huanqiu Zhilian, Baiwangyun Overseas, and Mr. Yang Zhengdao, pursuant to which, the parties conditionally agreed that the Company would increase its capital in Baiwangyun Overseas (the "**Capital Increase**") using the outstanding principal of the convertible loan. Upon completion of the Capital Increase, the Company's equity interest in Baiwangyun Overseas would become 35%.

THE CAPITAL INCREASE

The principal terms of the Capital Increase Agreement are summarized as below:

Date: December 31, 2025

Parties:
(i) the Company;

(ii) Huanqiu Zhilian;

(iii) Baiwangyun Overseas; and

(iv) Mr. Yang Zhengdao

The Capital Increase: All parties agreed that the Company shall, based on the Convertible Loan Agreement, convert the outstanding principal of the convertible loan provided by the Company to Baiwangyun Overseas as of the date of this announcement (i.e., RMB35 million) into equity interest in Baiwangyun Overseas, and subscribe for the newly increased registered capital of Baiwangyun Overseas of RMB2.6923 million in accordance with the terms and conditions of the Capital Increase Agreement. The total Capital Increase amounted to RMB35 million, of which RMB2.6923 million will be credited to the registered capital of Baiwangyun Overseas, and the remaining RMB32.3077 million will be credited to the capital reserve of Baiwangyun Overseas.

Basis of determination of the amount of Capital Increase

The amount of the Capital Increase was determined by the parties after arm's length negotiations, with reference to the market value of 100% equity interest in Baiwangyun Overseas as of October 31, 2025 (the "**Valuation Benchmark Date**"), as assessed in the valuation report (the "**Valuation Report**") prepared by Mai Chuang Real Estate Asset Appraisal Co., Ltd. (the "**Valuer**"), a PRC qualified independent valuer, and by taking into account factors such as strategic synergy value and market comparable parameters.

According to the Valuation Report issued by the Valuer on December 26, 2025, the 100% equity interest in Baiwangyun Overseas was assessed using the market approach, with a valuation of RMB80 million as of the Valuation Benchmark Date (equivalent to RMB16 per RMB1 of registered capital). Based on the aforementioned assessment results and after comprehensive consideration by the contracting parties of factors including resource synergy effects and special shareholder rights, the Capital Increase price was determined through arm's length negotiations to be RMB13 per RMB1 of registered capital.

As stated in the Announcements, the exercise of the Conversion Option by the Company is conditional upon the then valuation of Baiwangyun Overseas being not less than RMB100.0 million. Although the valuation on which the Capital Increase is based is different from the aforementioned conditions agreed in the Convertible Loan Agreement, the parties have reached a consensus to adjust the valuation premise in exchange for a more strategically valuable overall commercial arrangement. For details of the relevant benefits of such adjustment to the Company, please refer to the section headed "Reasons for and Benefits of the Capital Increase" in this announcement.

For further details regarding the Valuation Report (including the rationale for selecting the market approach, the key assumptions employed in preparing the valuation, the valuation models, and the inputs), please refer to Appendix I to this announcement.

Closing and Conditions Precedent:

Subject to compliance with all terms and conditions of the Capital Increase Agreement, the closing shall occur within fifteen (15) business days after all of the following conditions precedent are satisfied or waived, or on such other date as may be otherwise agreed in writing by the parties due to inquiries from listing regulatory authorities or other circumstances, but in no event later than the forty-fifth (45th) business day following the date of execution of the Capital Increase Agreement:

(1) All parties have duly executed the Capital Increase Agreement, and the updated Articles of Association of Baiwangyun Overseas for the purpose of the Capital Increase have obtained appropriate internal resolutions;

(2) The representations and warranties made by Baiwangyun Overseas, Huanqiu Zhilian, and Mr. Yang Zhengdao shall remain true, complete and accurate in all material respects from the date of execution of the Capital Increase Agreement until the date Baiwangyun Overseas completes the business registration changes for the Capital Increase ("**Closing Date**");

(3) The representations and warranties made by the Company shall remain true, complete, and accurate in all material respects from the date of execution of the Capital Increase Agreement until the Closing Date.

Corporate Governance:

The board of directors of Baiwangyun Overseas shall consist of three directors appointed and removed by the shareholders' meeting. Among them, Huanqiu Zhilian shall nominate Mr. Yang Zhengdao and another individual designated by Huanqiu Zhilian to serve as directors of Baiwangyun Overseas. The Company shall have the right to nominate one individual designated by it to serve as a director of Baiwangyun Overseas. The board of directors of Baiwangyun Overseas shall have one chairman, who shall be a director nominated by Huanqiu Zhilian.

Offshore Reorganisation Arrangement:	The Company obtained a warrant entitling the Company to reduce its equity interest in Baiwangyun Overseas corresponding to RMB15 million of the total Capital Increase amount in the Capital Increase, and invest such funds into the intended listing entity of Baiwangyun Overseas, i.e., GLOBAL DIGITAL REGTECH CLOUD CO., LTD. ("**GLOBAL DIGITAL**"), to achieve the purpose of converting part of the Company's equity interest in Baiwangyun Overseas to GLOBAL DIGITAL.

GLOBAL DIGITAL is an exempted company incorporated and existing under the laws of the Cayman Islands whose principal business is investment holding.

GLOBAL DIGITAL and Baiwangyun Overseas are ultimately controlled by Mr. Yang Zhengdao and other founding team members including Mr. Yu Bangfu and are currently related parties under the control of the same controlling party. As the intended listed holding platform, GLOBAL DIGITAL plans, through its overseas subsidiaries (including BVI and Hong Kong companies) and wholly foreign-owned enterprises established in the PRC, to, upon completion of the relevant procedures, obtain control over the equity interest in Baiwangyun Overseas, thereby forming a complete red-chip structure. As of the date of this announcement, the wholly foreign-owned enterprises that control the main onshore operating entities have been established and the integration work relating to the relevant structure is in progress.

Repurchase Option:

If Baiwangyun Overseas Group has completed a "Qualified IPO", the Company shall have the right to issue a written notice (the "**Repurchase Notice**") to Baiwangyun Overseas, requiring Baiwangyun Overseas to repurchase or have Huanqiu Zhilian and/or its designated third party to purchase all equity held by the Company in Baiwangyun Overseas at that time; the amount of consideration for the repurchase or transfer of equity shall be equivalent to the paid-in capital corresponding to the equity requested for repurchase by the Company. From the date the Company pays the convertible bonds to Baiwangyun Overseas pursuant to the Convertible Loan Agreement until the date the Company actually receives the full consideration for the equity repurchase/transfer, the sum of principal and interest shall be calculated at a simple interest rate of 6% per annum. Following the issuance of the Repurchase Notice by the Company, Baiwangyun Overseas and Huanqiu Zhilian shall take all necessary actions and sign all requisite documents to expedite the completion of the capital reduction or equity transfer-related change procedures for Baiwangyun Overseas, for which the Company shall provide necessary cooperation. However, the payment of the aforementioned repurchase or share transfer consideration to the Company shall in no event be later than the 60th day from the date of issuance of the Repurchase Notice, failing which Baiwangyun Overseas and Huanqiu Zhilian shall pay the Company a default penalty at a daily rate of 0.05% on the unpaid amount, but in no event exceeding 10% of the unpaid amount. Mr. Yang Zhengdao shall procure Baiwangyun Overseas Group to assume joint and several liability for the aforementioned repurchase obligations.

A Qualified IPO includes: (a) the public offering of ordinary shares (or their depositary receipts or depositary shares) of the listing entity of Baiwangyun Overseas Group, underwritten by an underwriter, on the Shanghai Stock Exchange, Shenzhen Stock Exchange, Hong Kong Stock Exchange, New York Stock Exchange, NASDAQ Global Market, Singapore Exchange, or other securities exchanges approved by all parties (collectively referred to as the "**Approved Securities Exchanges**"); or (b) a reverse acquisition transaction in which the shares of the acquiring company acquired by the shareholders of the listing entity of Baiwangyun Overseas Group in such transaction are listed on an Approved Securities Exchanges. For the avoidance of doubt, listing and trading on over-the-counter markets, including the National Equities Exchange and Quotations (NEEQ), do not fall within the scope of "Qualified IPO".

EQUITY STRUCTURE

The shareholding structure of Baiwangyun Overseas before and after completion of the Capital Increase is set out below:

	Prior to the Completion of the Capital Increase		Upon the Completion of the Capital Increase	
	Capital Contribution *(RMB'0,000)*	Percentage of Shareholding	Capital Contribution *(RMB'0,000)*	Percentage of Shareholding
Huanqiu Zhilian	500.00	100%	500.00	65%
the Company	–	–	269.23	35%
Total	**500.00**	**100%**	**769.23**	**100%**

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

As stated in the Announcements, the Company is a leader and major player in China's SaaS financial & tax digitalization industry. The Company aims to expand into overseas markets while maintaining its focus on the domestic market and consolidating its leading position in China. It recognizes that an increasing number of government initiatives worldwide are promoting digital transformation in financial and tax management to drive economic growth and achieve efficient administration. The emerging overseas market for financial and tax digitalization holds tremendous growth potential.

The Company's global expansion is a core component of its dual-engine strategy driven by "Data Intelligence and Globalization". Considering Baiwangyun Overseas as a key vehicle for the Company's overseas expansion strategy, the Company believes that through the Capital Increase, it will be able to share in Baiwangyun Overseas' development gains as a shareholder, further broadening its revenue streams, laying a solid foundation for future cooperation between the Company and Baiwangyun Overseas and providing necessary funding support for the initial development of the overseas business, which will in turn facilitate the expansion of the Company's sales outreach and establish global recognition of the Company's brand image.

As stated in the Announcements, the exercise of the Conversion Option by the Company is conditional upon the then valuation of Baiwangyun Overseas being not less than RMB100.0 million. Although the valuation on which the Capital Increase is based is different from the aforementioned conditions agreed in the Convertible Loan Agreement, the parties have reached a consensus to adjust the valuation premise in exchange for a more strategically valuable overall commercial arrangement. The core of such adjustment lies in the fact that the Company accepted the Capital Increase to Baiwangyun Overseas at the current valuation level, and simultaneously obtained the following two key commercial rights and interests as part of the overall consideration: (I) strategically locking-in the warrants of the overseas intended listing entity: the Company simultaneously obtained a warrant, securing the right to invest in GLOBAL DIGITAL with a pre-locked fixed consideration. The established consideration will not be raised due to the valuation growth in its subsequent financing rounds. This enables the Company to directly participate in the overseas intended listing platform with greater potential for capital appreciation, at a cost significantly lower than that of subsequent investors, which is the core new value not included in the original agreement. (II) Enhanced shareholding ratio and control in the domestic core operating entity: following the Capital Increase, the Company will hold 35% equity interests in Baiwangyun Overseas. Compared with the conversion ratio that may be agreed in the original Convertible Loan Agreement, the Company will obtain a higher shareholding ratio with the same investment consideration, which will enhance its business operation influence, decision-making participation and future revenue sharing rights on the business operating entity.

In light of the foregoing, the Directors (including the independent non-executive Directors) consider that the terms of the Capital Increase are fair and reasonable. The transaction arrangement combining "strengthening domestic controlling rights" and "locking-in overseas warrants" optimizes the investment structure and is in line with the interests of the Company and its Shareholders as a whole.

To the best knowledge and belief of the Directors, none of the Directors has any material interest in the Capital Increase, and none of the Directors has abstained from voting on the above Board resolution.

INFORMATION ON THE PARTIES INVOLVED

Information on the Company

The Company is an enterprise digitalization solutions provider in China, focusing on offering SaaS financial & tax digitalization and data-driven analytics services through its Baiwang Cloud platform. Meanwhile, with big data and artificial intelligence technologies (Data+AI) as its core, the Company built a reliable super data intelligence system that integrates digital productivity into the work and life of human society.

Information on Baiwangyun Overseas

Baiwangyun Overseas is a limited liability company incorporated on October 18, 2024 in the PRC and wholly owned by Huanqiu Zhilian, which is ultimately beneficially owned by Mr. Yang Zhengdao. It is principally engaged in the overseas business including localization, development and sales of the Company's tax compliance related products in countries and regions outside the PRC, and overseas implementation, upgrade and licensing of the related technologies in accordance with the foreign local laws and regulations. As of the date of this announcement, Baiwangyun Overseas has expanded its business to a number of countries such as the United Arab Emirates, Iraq, Algeria, Angola, Laos, Côte d'Ivoire and Dubai, providing digital solutions in areas such as government administration technology, tax management technology and data finance technology to government authorities, enterprises and financial institution customers worldwide.

As Baiwangyun Overseas was incorporated on October 18, 2024, only its financial information after its incorporation is set out below. The major financial information of Baiwangyun Overseas during the period from October 18, 2024 to December 31, 2024 and for the ten months ended October 31, 2025, based on the consolidated accounts prepared in accordance with the China Accounting Standards for Business Enterprises, is set forth below:

	During the Period from October 18, 2024 to December 31, 2024 *RMB'0,000*	**For the Ten Months Ended October 31, 2025** *RMB'0,000*
Profit before tax	-205.21	-2,583.63
Profit after tax	-205.21	-2,583.63

The total assets and net assets of Baiwangyun Overseas as at October 31, 2025 were RMB12.0533 million and RMB-27.8884 million respectively, based on the consolidated accounts prepared in accordance with the China Accounting Standards for Business Enterprises.

Information on Huanqiu Zhilian

Huanqiu Zhilian is a limited liability company incorporated on September 9, 2024 in the PRC and the holding company of Baiwangyun Overseas. Huanqiu Zhilian is ultimately owned by Mr. Yang Zhengdao, and two independent third parties, Mr. Yu Bangfu, and Mr. Cao Xueyi, as to 62%, 28%, and 10%, respectively, and its ultimate beneficial owner is Mr. Yang Zhengdao. The principal business of Huanqiu Zhilian is investment holding.

Information on Mr. Yang Zhengdao

Mr. Yang Zhengdao, a PRC citizen, is the ultimate beneficial owner of Huanqiu Zhilian and Baiwangyun Overseas.

LISTING RULES IMPLICATIONS

As Mr. Yang Zhengdao, the ultimate controlling shareholder of Baiwangyun Overseas and Huanqiu Zhilian, had served as a director of Wuxi Baishang Zhongwang Data Technology Co., Ltd., a major subsidiary of the Company, in the last 12 months, he is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. Accordingly, the capital increase is a connected transaction under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Capital Increase exceeds 1% but is less than 5%, the Capital Increase Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

By Order of the Board
Baiwang Co., Ltd.
Ms. Chen Jie
Chairlady of the Board and Executive Director

Hong Kong, December 31, 2025

As of the date of this announcement, the executive Directors are Ms. Chen Jie, Mr. Zou Yan and Ms. Jin Xin; the non-executive Directors are Mr. Huang Miao and Mr. Diao Juanhuan; and the independent non-executive Directors are Mr. Tian Lixin, Dr. Wu Changhai, Dr. Song Hua and Mr. Ng Kwok Yin.

APPENDIX I – FURTHER DETAILS OF THE VALUATION REPORT

Reasons for Choosing the Market Approach

In the Valuation Report, the Valuer has considered the three fundamental valuation approaches, namely the income approach, the asset-based approach, and the market approach.

The market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect the condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

The income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Given the characteristics of Baiwangyun Overseas (the "**Target Company**"), there are substantial limitations for the income approach and the cost approach for valuing the underlying asset. Firstly, the income approach result would be more dependent on long term financial forecast internally prepared by the management, which is unobservable input and requires subjective assumptions. Secondly, the cost approach does not directly incorporate information about the economic benefits contributed by the subject business.

In view of the above, the Valuer has adopted the market approach for the valuation. The approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect the condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few assumptions. It also introduces objectivity in application as publicly available inputs are used.

VALUATION MODELS AND PARAMETERS

Selection of Valuation Models in the Market Approach

In this valuation exercise, the market value of 100% equity interest in the Target Company was developed through the application of the market approach technique known as the guideline public company method. This method requires the research of comparable companies' benchmark multiples and proper selection of a suitable multiple to derive the market value of the Target Company. The Valuer has considered price-to-book (P/B), price-to-sales (P/S), enterprise value-to-sales (EV/S), enterprise value-to-EBIT (EV/EBIT) and price-to-earnings (P/E) multiples.

According to the consolidated financial statements provided by the management, the EBIT and earnings of the Target Company for last twelve months as at the valuation date are negative, so EV/EBIT and P/E multiples can not be applied in this valuation.

The P/S and P/B multiples are quicker to calculate, using only a company's market capitalization as the numerator. However, when comparing the value of a company in the different capital structures, the EV/S multiple is preferred, because the enterprise value takes into account the debt and the equity structure of a company, but the market capitalization does not.

Based on the aforesaid analyses and in order to reflect the latest operation status of the Target Company, it is considered that the suitable multiple in this valuation is leading EV/S ratio ("**Leading EV/S**") which are derived by the enterprise value (EV) divided by estimated revenue for year 2026 as at the valuation date.

The market value of the Target Company is calculated by using Leading EV/S ratio of the comparable companies and then taken into account of market liquidity discount as the appropriate adjustment.

Pricing Multiples, Adjustments, and Input Data in the Valuation

In determining the price multiple, the initial selection criteria include the followings:

1. The comparable companies are publicly listed;

2. The comparable companies derive a considerable amount, if not all, of their revenues from the same or closely related industry of the Target Company such as enterprise digitalization solutions and/or financial and tax digitalization; and

3. Leading EV/S ratio for 2026 as at the valuation date of the comparable companies is available.

As sourced from Capital IQ, a reliable third party database service provider designed by Standard & Poor's (S&P), an exhaustive list of comparable companies satisfying the above criteria was obtained on a best effort basis and the details of these comparable companies are shown below:

Stock Code	Company Name	Company Description
600271.SH	Aisino Co. Ltd.	Aisino Co. Ltd., together with its subsidiaries, provides information security solutions in China and internationally. The company offers golden tax basic, cloud tax ecosystem, and training businesses solutions, as well as smart taxation and products; smart solutions, including public security, market supervision field, agriculture, government sector, and intelligent transportation sector, as well as international and emerging businesses solutions; and internet information solutions, such as IT products, consulting design, and office applications.
300525.SZ	Fujian Boss Software Corp.	Fujian Boss Software Corp. provides software products and services in China. The company offers software in the field of digital tickets, digital finance, digital procurement, smart city and digital rural areas. Fujian Boss Software Corp. was founded in 2001 and is headquartered in Fuzhou, China.

Stock Code	Company Name	Company Description
6657.HK	Baiwang Co., Ltd.	Baiwang Co., Ltd. provides enterprise digitalization solutions through the Baiwang Cloud platform in China. It offers software as a service (SaaS) financial and tax digitalization, including tax invoice compliance management, financial and tax management, and supply chain collaboration solutions; and data-driven intelligence solutions, such as digital precision marketing and risk management services. The company also provides software and technology, and software maintenance services; and supply chain finance and financial technology cloud services. It serves banking, transportation, manufacturing, real estate, energy, and internet platform industries. Baiwang Co., Ltd. was incorporated in 2015 and is headquartered in Beijing, China.
603171.SH	Servyou Software Group Co., Ltd.	Servyou Software Group Co., Ltd., together with its subsidiaries, provides financial and tax information services in China. It operates in two segments, Digital Finance and Taxation Business; and Digital Government Affairs Business. The company offers taxation system development and maintenance to taxation authorities; and internet-based financial and tax services to taxpayers, and financial and taxation intermediaries under the YiQiYing brand. It also provides enterprise services, including YiQi Assistant, an intelligent finance, taxation, and human resources comprehensive management platform. In addition, the company offers government services, such as smart electronic tax bureau; individual tax administration; social security contribution collection and payment system; tax big data platform; risk management system; tax credit management system; inspection command platform; and large enterprise tax audit platform. Servyou Software Group Co., Ltd. was founded in 1999 and is headquartered in Hangzhou, China.

The detailed information of the comparable companies is listed in the following table:

Company Code	**Market Value** *(USD MM)*	**Revenue** *(USD MM)*	**Leading EV/S Ratio**
600271.SH	1,748	1,395	1.25
300525.SZ	1,431	354	4.04
6657.HK	429	143	3.01
603171.SH	2,811	391	7.19

Source: Capital IQ, financial report and website of the comparable companies

Notes:

* *Enterprise Value = market capitalization + net debt + minority interest*

* *Net Debt = total loans/borrowings – total cash and cash equivalents & short-term investment*

Discount for Lack of Marketability (DLOM)

The level of a company value can be described as: the marketable minority interest value which refers to the price quoted in public market less the DLOM equals to the non-marketable minority interest value representing the non-controlling shareholder of a private company.

A factor to be considered in valuing closely held companies is the marketability of an interest in such businesses. Marketability is defined as the ability to convert the business interest into cash quickly, with minimum transaction and administrative costs, and with a high degree of certainty as to the amount of net proceeds. There is usually a cost and a time lag associated with locating interested and capable buyers of interests in privately-held companies, because there is no established market of readily-available buyers and sellers. All other factors being equal, an interest in a publicly traded company is worth more because it is readily marketable. Conversely, an interest in a private-held company is worth less because no established market exists.

Most of the businesses or financial interests that the Valuer is valuing do not enjoy immediate liquidity. The Valuer thus faces the task of making an adjustment from the value the Valuer has estimated from the transactions observed in the market approach to account for the lack of marketability of the valued business or interest. That adjustment is what the Valuer refers to as the "discount for lack of marketability".

In this valuation exercise, the valuer has assessed the DLOM using the empirical studies. With reference to a research paper titled "Stout Restricted Stock Study Companion Guide" by Stout Risius Ross, LLC in 2024, it is suggested that the median DLOM of services industry is 22.1%. Therefore, the valuer acquired a DLOM of 22.1% indicated by the research and apply it for the valuation of the Target Company.

Calculation of Valuation Result

Under the guideline public company method, the market value depends on the market multiples of the comparable companies, sourced from Capital IQ, as at the valuation date and the valuer has taken into account the discount for lack of marketability of the Target Company. The calculation of the market value of the equity interest in the Target Company as at the valuation date is as follows:

	As at October 31, 2025 *RMB'000*
Median Leading EV/S ratio	3.53
Estimated Revenue for year 2026 of the Target Company	37,000
Enterprise Value of the Target Company	130,450
Less: Net Debt	28,134
Equity Value of the Target Company	102,317
Adjusted discount for lack of marketability (22.1%)	(1–22.1%)
100% Equity Value of the Target Company (rounded)	80,000

Valuation Assumptions

1. In determining the market value of the equity interest in the Target Company, the key assumptions underlying the valuation report are as follows:

2. It is assumed that the projected revenue for year 2026 could be achieved with the effort of Target Company's management;

3. All relevant legal approvals and business certificates or licenses to operate the business in which the Target Company and its subsidiaries operate or intend to operate have been or would be officially obtained and renewable upon expiry;

4. There will be no major change in the political, legal, economic and social environment in which the Target Company and its subsidiaries operate or intend to operate;

5. Interest rates and exchange rates in the localities for the operation of the Target Company and its subsidiaries will not differ materially from those presently prevailing;

6. It is assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;

7. The financial and operational information about the Target Company and its subsidiaries provided by the Company and the Target Company is accurate and it is relied to a considerable extent on such information in arriving at the opinion of value; and

8. There are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value.