Yinsheng Digifavor Company Limited
銀盛數惠數字有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3773)

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

The board (the "**Board**") of directors (the "**Directors**") of Yinsheng Digifavor Company Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2025. The unaudited consolidated interim results have been reviewed by the Company's audit committee (the "**Audit Committee**").

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

	NOTES	Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
Revenue	*4*	**65,973**	69,917
Less: Tax surcharge		**(867)**	(303)
Cost of revenue		**(19,248)**	(25,526)
Gross profit		**45,858**	44,088
Other (expense)/income, net		**(592)**	2,796
Distribution and selling expenses		**(9,773)**	(12,666)
Administrative expenses		**(10,048)**	(11,536)
Research and development expenses		**(6,010)**	(6,115)
Finance costs	*5*	**(660)**	(2,443)
Profit before income tax	*6*	**18,775**	14,124
Income tax expense	*7*	**(3,591)**	(1,819)
Profit and total comprehensive income for the period		**15,184**	12,305
Profit/(loss) and total comprehensive income/(expense) for the period attributable to:			
Owners of the Company		**15,432**	12,463
Non-controlling interests		**(248)**	(158)
		15,184	12,305
Earnings per share			
– Basic and diluted (RMB cents)	*9*	**3.72**	3.00

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	NOTES	**As at 30 June 2026 *RMB'000* *(Unaudited)***	As at 31 December 2025 *RMB'000* *(Audited)*
Non-current assets			
Property, plant and equipment	*10*	**1,922**	2,399
Right-of-use assets	*10*	**469**	822
Financial assets at fair value through profit or loss	*11*	**19,000**	19,000
Rental deposits		**227**	227
Deferred tax assets		**314**	314
		21,932	22,762
Current assets			
Inventories		**6,351**	9,107
Trade receivables	*12*	**272,308**	210,241
Prepayments, deposits and other receivables		**168,868**	186,503
Financial assets at fair value through profit or loss	*11*	**265**	–
Tax recoverable		**2,379**	75
Restricted bank deposits		**1,958**	2,004
Cash and cash equivalents		**72,816**	83,551
		524,945	491,481
Current liabilities			
Trade payables	*13*	**30,727**	57,970
Other payables and accruals		**64,143**	67,427
Tax liabilities		**114**	653
Lease liabilities		**503**	777
Borrowings	*14*	**80,200**	31,200
		175,687	158,027
Net current assets		**349,258**	333,454
Total assets less current liabilities		**371,190**	356,216

	NOTES	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Borrowings	*14*	**9,700**	9,800
Lease liabilities		**–**	110
Deferred tax liabilities		**9,280**	9,280
		18,980	19,190
Net assets		**352,210**	337,026
Capital and reserves			
Share capital	*15*	**27,221**	27,221
Reserves		**328,139**	312,707
Total equity attributable to owners of the Company		**355,360**	339,928
Non-controlling interests		**(3,150)**	(2,902)
Total equity		**352,210**	337,026

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL

The Company is an exempted company with limited liability in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company's registered office is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business is 13/F, Building C2, Nanshan iPark, No. 1001, Xueyuan Boulevard, Nanshan District, Shenzhen, the People's Republic of China (the "**PRC**").

The Company is an investment holding company. The principal activities of the Group include the provision of mobile charges/mobile data usage top-up services to mobile subscribers and the provision of digital marketing services business in the PRC.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The mobile top-up services provided by the Group are prohibited and restricted from foreign investment in the PRC pursuant to the applicable PRC laws and regulations. A series of contracts (the "**Structured Contracts**") was reached between Daily Charge Technology (Shenzhen) Limited ("**Daily Charge SZ**"), a wholly foreign-owned enterprise of the Company, and Shenzhen Niannianka Network Technology Co., Ltd. ("**Shenzhen NNK**") and its registered shareholders to maintain and exercise the control over the operation of Shenzhen NNK, and to obtain all of its entire economic benefits (the "**VIE Arrangement**"). The Structured Contracts are irrevocable and enable the Group to:

- exercise effective financial and operational control over Shenzhen NNK;
- exercise equity holders' voting rights of Shenzhen NNK;
- receive substantially all economic returns generated by Shenzhen NNK in consideration for the business support, technical and consulting services provided by the Group;
- obtain an irrevocable and exclusive right to purchase the entire equity interest in Shenzhen NNK from the registered shareholders; and
- obtain a pledge over the entire equity interest of Shenzhen NNK from the registered shareholders as collateral security for all amounts of Shenzhen NNK due to the Group and to secure performance of the registered shareholders' obligations under the Structured Contracts.

The Company does not have any equity interest in Shenzhen NNK. However, as a result of the Structured Contracts, the Company has power over Shenzhen NNK, has rights to variable returns from its involvement with Shenzhen NNK and has the ability to affect those returns through its power over Shenzhen NNK and therefore is considered to have control over Shenzhen NNK. Consequently, the Company regards Shenzhen NNK as an indirect wholly-owned subsidiary and consolidated the financial position and results of Shenzhen NNK in the condensed consolidated financial statements of the Group during both periods.

The condensed consolidated financial statements have been prepared in accordance with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. In preparing the condensed consolidated financial statements, the significant judgement made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

The interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2025. The condensed consolidated financial statements do not include all of the information required for a full set of financial statements prepared in accordance with the HKFRS Accounting Standards and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2025 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 26 March 2026.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of the reporting period, as explained in the accounting policies set out in the Group's annual financial statements for the year ended 31 December 2025.

The condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is the same as the functional currency of the Company and its subsidiaries.

All values are rounded to the nearest thousand except when otherwise indicated.

The condensed consolidated financial statements are unaudited but have been reviewed by the Company's audit committee.

3. APPLICATION OF NEW OR AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025, other than changes in accounting policies resulting from application of new or amendments to HKFRS Accounting Standards effective for the accounting periods beginning on or after 1 January 2026.

The HKICPA has issued a number of new or amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group. None of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the condensed consolidated financial statements. The Group has not applied any new or amendments to HKFRS Accounting Standards that is not yet effective for the current accounting period.

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Type of service, at a point of time		
Mobile charges and mobile data usage top-up services	**30,025**	35,610
Digital marketing services		
– Commission income for marketing campaign service	**35,235**	33,487
Type of service, over time*		
Digital marketing service – Service income for live streaming	**713**	820
	65,973	69,917

* The Group applies the practical expedient in paragraph 21 of HKFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Segment information

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive directors (being the chief operating decision makers (the "**CODMs**")) in order to allocate resources to the segments and to assess their performance.

Following the Group's diversified business, the Group reorganised its reporting structure in the current period and presented the following two operating and reportable segments under HKFRS 8:

Top-up services: – provision of mobile charges and mobile data usage top-up services to mobile subscribers

Digital marketing services: – provision of all-in-one live streaming services and sourcing and delivery of virtual products and related value-added services

The Group's operating segments are strategic business units that offer different services. They are managed separately because each business requires different marketing strategies. The Group's CODMs make decisions according to operating results of each segment.

No information on segment assets and liabilities was prepared for review by the Group's CODMs for the period for the purpose of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

(a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODMs monitor the results attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to the sales generated and the expenses incurred by those segments. The measure used for reporting segment profit is gross profit.

	Top-up services Six months ended 30 June		**Digital marketing services Six months ended 30 June**		**Total Six months ended 30 June**	
	2026	2025	**2026**	2025	**2026**	2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Revenue from external customers	**30,025**	35,610	**35,948**	34,307	**65,973**	69,917
Less: Tax surcharge	**(394)**	(154)	**(473)**	(149)	**(867)**	(303)
Cost of revenue	**(3,334)**	(6,388)	**(15,914)**	(19,138)	**(19,248)**	(25,526)
Reportable segment profit (gross profit)	**26,297**	29,068	**19,561**	15,020	**45,858**	44,088

(b) Reconciliations of reportable segment revenue and profit before income tax

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue		
Reportable segment revenue	**65,973**	69,917
Reportable segment profit derived from the Group's external customers	**45,858**	44,088
Other (expense)/income, net	**(592)**	2,796
Distribution and selling expenses	**(9,773)**	(12,666)
Administrative expenses	**(10,048)**	(11,536)
Research and development expenses	**(6,010)**	(6,115)
Finance costs	**(660)**	(2,443)
Profit before income tax	**18,775**	14,124

The accounting policies of the operating segments are the same as the Group's accounting policies described in the annual financial statements for the year ended 31 December 2025. Segment profit represented the profit earned by each segment without allocation of other (expense)/income (net), distribution and selling expenses, administrative expenses, research and development expenses and finance costs.

Geographical information

All significant external customers of the Group are located in the PRC and the non-current assets are principally located in the PRC. Therefore, no geographical segment information is presented.

Information about major customers

The Group's customer base is diversified and had no customer with whom net transactions have exceeded 10% of the Group's revenue for both periods.

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Interest on bank overdrafts	**68**	702
Interest on bank borrowings	**507**	1,471
Interest on other borrowing	**67**	238
Interest on lease liabilities	**18**	32
	660	2,443

6. PROFIT BEFORE INCOME TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Profit before income tax has been arrived at after charging/(crediting):		
Directors' emoluments	**1,907**	3,925
Salaries and other benefits, excluding those of directors	**16,764**	17,066
Retirement benefits schemes contributions, excluding those of directors	**2,847**	3,003
Total staff costs	**21,518**	23,994
Depreciation of property, plant and equipment	**698**	759
Depreciation of right-of-use assets	**353**	369
Expenses related to short-term leases	**253**	231
Interest income	**(43)**	(44)
Auditor's remuneration		
– Non-audit services	**180**	180

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current income tax		
Current period		
– PRC Enterprise Income Tax ("**EIT**")	**3,411**	1,589
– PRC Withholding Tax	**180**	110
	3,591	1,699
Under-provision in prior periods		
– PRC EIT	**–**	120
	3,591	1,819
Deferred tax, net	**–**	–
	3,591	1,819

No provision for taxation in Hong Kong and Singapore has been made in the condensed consolidated financial statements as no assessable profit was generated in Hong Kong and Singapore for both periods.

Under the Law of the PRC on Enterprise Income Tax (the "**PRC EIT Law**") and Implementation Regulations of the PRC EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

Certain PRC subsidiaries of the Group, which are small-sized and low-profit enterprise under the PRC EIT Law, are entitled to an effective PRC EIT rate of 5% for first RMB3 million of their annual taxable income for the period from 1 January 2023 to 31 December 2027. The PRC EIT is calculated at 25% (six months ended 30 June 2025 (unaudited): 25%) of the estimated assessable profits of remaining subsidiaries operating in the PRC.

8. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company for the six months ended 30 June 2026, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2025 (unaudited): Nil).

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on profit attributable to the owners of the Company of approximately RMB15,432,000 (six months ended 30 June 2025 (unaudited): RMB12,463,000) and the weighted average of 415,000,000 (six months ended 30 June 2025 (unaudited): 415,000,000) ordinary shares in issue during the six months ended 30 June 2026.

No diluted earnings per share for the six months ended 30 June 2026 were presented as there were no potential ordinary shares in issue (six months ended 30 June 2025 (unaudited): Nil).

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

Property, plant and equipment

During the six months ended 30 June 2026, the Group paid approximately RMB236,000 (six months ended 30 June 2025 (unaudited): RMB265,000) for the acquisition of leasehold improvement and computer and office equipment.

Right-of-use assets

The Group leases land and buildings in the PRC for its operations. Lease contracts are entered into for fixed lease terms of 2 years to 5 years (six months ended 30 June 2025 (unaudited): 2 year to 5 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2026 ***RMB'000*** ***(Unaudited)***	As at 31 December 2025 *RMB'000* *(Audited)*
Non-current:		
Unlisted equity investment – Ordinary shares, at fair value – Jiaxing Yunhui Xinzhi Equity Investment Partnership (Limited Partnership) (Note a)	**19,000**	19,000
Current:		
Listed equity investments, at fair value (Note b)	**265**	–
	19,265	19,000

Notes:

(a) On 1 September 2025, the Group entered into a limited partnership agreement (the "**Agreement**") with another two independent third parties in relation to the formation of the limited partnership fund named Jiaxing Yunhui Xinzhi Equity Investment Partnership (Limited Partnership)* (嘉興雲惠新智股權投資合夥企業(有限合夥)) ("**Limited Partnership**") and subscribed 94.9051% of the committed fund size amounting to approximately RMB19,000,000. The Limited Partnership shall principally invest in the innovative enterprises at the start-up or growth stage, particularly those engaged in new consumption and/or artificial intelligence. Pursuant to the terms of the Agreement, the Limited Partnership is managed by the authorised fund management company incorporated in the PRC. The directors of the Company considered the control of the Limited Partnership remained with the general partner and the Group acting as a limited partner does not have any controlling power nor exert any significant influence over the Limited Partnership.

No dividend income was received on this investment during the six months ended 30 June 2026 (31 December 2025: Nil).

As at 30 June 2026, the management estimated that the fair value of the investment by reference to the latest performance report provided by the fund manager, which is mainly prepared based on the asset approach. No fair value change was recorded for the six months ended 30 June 2026 (31 December 2025: Same).

(b) The Group's investments in listed equity securities are classified as at fair value through profit or loss. The Group considered these investments to be strategic in nature.

During the six months ended 30 June 2026, the net unrealised fair value loss of RMB675,000 was recognised in profit or loss (31 December 2025: Nil).

* *For identification purpose only*

12. TRADE RECEIVABLES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Trade receivables		
– Mobile charges and mobile data usage top-up services	**62,810**	80,088
– Telecommunication equipment business	**5,430**	7,088
– Digital marketing services	**205,321**	124,318
Less: allowance of credit losses	**(1,253)**	(1,253)
	272,308	210,241

Trade receivables from mobile charges and mobile data usage top-up services mainly represent receivables from financial institutions which the settlement period is normally within 1 day from the transaction date. Due to deepening cooperation with major PRC banks for their promotion activities, the Group has granted credit period of 30 to 45 days for certain financial institutions based on the invoice date. For certain channels of customers, the credit period was about 30 to 60 days granted by the Group based on the invoice date. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral over these balances (31 December 2025: Same).

Trade receivables from the telecommunication equipment business mainly represent receivables from telecommunication operators, which are repayable by instalments ranged from 6 months to 36 months (31 December 2025: Same).

Trade receivables from digital marketing services mainly represent receivables from digital marketing events, which the Group usually grants a credit period for no more than 60 days (31 December 2025: Same).

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the date of service provided and revenue recognised, at the end of each reporting period:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
0 to 30 days	**140,421**	125,342
31 to 90 days	**52,983**	62,792
91 to 180 days	**50,479**	9,672
181 to 365 days	**20,991**	5,170
Over 365 days	**7,434**	7,265
	272,308	210,241

As at 30 June 2026, included in the Group's trade receivables gross balance were debtors in mobile charges and mobile data usage top-up services with aggregate carrying amount of approximately RMB1,488,000 (31 December 2025: RMB1,739,000), in digital marketing services with aggregate carrying amount of approximately RMB3,470,000 (31 December 2025: RMB4,540,000) and in telecommunication equipment business with aggregate carrying amount of approximately RMB5,430,000 (31 December 2025: RMB7,088,000) which are past due as at the reporting date.

Based on the Group's assessment of historical credit loss experience of these debtors, including all available forward-looking information and expected settlements, the Group does not consider default has occurred despite the contractual payments are overdue more than 90 days due to the long term/on-going business relationship, past good repayment records and continuous repayments from these customers. However, the Group would have provided in full for trade receivables overdue more than 180 days because based on historical experience, such receivables are generally not recoverable, unless the Group has reasonable and supportable information that demonstrates otherwise.

During the six months ended 30 June 2026, the Group has not further made any impairment provision (six months ended 30 June 2025 (unaudited): nil).

As at 30 June 2026, certain of the Group's trade receivables of approximately RMB35,738,000 (31 December 2025: RMB53,795,000) were pledged to the bank borrowings and bank overdrafts (31 December 2025: bank and other borrowings) with amounts of approximately RMB55,000,000 (31 December 2025: RMB11,000,000) (Note 14).

Included in the balance as at 30 June 2026, trade receivables due from a related party amounting to approximately RMB565,000 (31 December 2025: RMB323,000) in relation to sales of virtual products.

13. TRADE PAYABLES

The Group has been normally granted credit terms of about 90 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The following is an aged analysis of trade payables presented based on the transaction date, at the end of respective reporting periods:

	As at 30 June 2026 ***RMB'000*** ***(Unaudited)***	As at 31 December 2025 *RMB'000* *(Audited)*
0 to 90 days	**18,481**	36,163
91 to 180 days	**2,804**	3,798
181 to 365 days	**2,220**	11,005
Over 365 days	**7,222**	7,004
	30,727	57,970

Included in the balance as at 30 June 2026, trade payables due to a related party amounting to approximately RMB194,000 (31 December 2025: RMB4,098,000) in relation to purchase of mobile charges top-up credits.

14. BORROWINGS

	As at 30 June 2026 *RMB'000* *(Unaudited)*	As at 31 December 2025 *RMB'000* *(Audited)*
Bank borrowings	**49,900**	21,000
Other borrowing	**–**	10,000
Bank overdrafts	**40,000**	10,000
	89,900	41,000
The Group's borrowings were repayable as follows:		
Other borrowing		
Within one year or on demand	**–**	10,000
Bank borrowings and bank overdrafts		
Within one year or on demand	**80,200**	21,200
More than one year, but not more than two years	**200**	200
More than two years, but not more than five years	**9,500**	9,600
	89,900	31,000
Total borrowings	**89,900**	41,000
Less: current portion	**(80,200)**	(31,200)
Amounts shown under non-current liabilities	**9,700**	9,800
Representing:		
Unsecured and guaranteed, fixed interest rates of range from 2.6% to 3.0% (31 December 2025: 2.6% to 3.5%) per annum and repayable within one year (31 December 2025: one year)	**25,000**	20,000
Unsecured and unguaranteed, fixed interest rate at 2.8% (31 December 2025: 2.8%) per annum and repayable within one to three years (31 December 2025: one to three years)	**9,900**	10,000
Secured and guaranteed, fixed interest rates of range from 2.6% to 3.0% (31 December 2025: ranging from 2.9% to 3.9%) per annum and repayable within one year (31 December 2025: one year)	**55,000**	11,000
	89,900	41,000

As at 30 June 2026, bank borrowings and bank overdrafts (31 December 2025: bank and other borrowings) with amounts of approximately RMB55,000,000 (31 December 2025: RMB11,000,000) were secured by certain of the Group's trade receivables (Note 12) and guarantees from related parties.

As at 30 June 2026, the bank overdrafts facilities in aggregate of approximately RMB120,000,000 (31 December 2025: RMB110,000,000) were granted to the Group. As at 30 June 2026, the Group had undrawn bank overdrafts of approximately RMB80,000,000 (31 December 2025: RMB100,000,000).

The Group is required to comply with certain restrictive covenants. The Group regularly monitors its compliance with these covenants. As at 30 June 2026, none of these covenants had been breached (31 December 2025: same).

15. SHARE CAPITAL

Details of authorised and issued capital of the Company are as follow:

	Number of authorised shares	**Number of issued shares**	**Issued and fully paid share capital**	
			US$	*RMB*
As at 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026 – Ordinary shares of US$0.01 each	2,000,000,000	415,000,000	4,150,000	27,221,000

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2026, the digital economy and financial technology industries in China, driven by the continuous policy empowerment on the construction of computing power infrastructure and digital industrial upgrading, accelerated their iteration and evolution, thereby maintaining a trend of high-quality development across the industry as a whole. With artificial intelligence (AI) agent technology entering the stage of large-scale implementation, scenario-based AI applications, the interconnectivity of computing power, and cross-border computing power services have emerged as core industry hotspots, continuously reshaping the industry chain landscape of digital marketing and financial services. As the digital transformation of financial institutions accelerates, intelligent equity operations, the scenario-based empowerment of computing power, and the integration of government and enterprise technological innovation services have become mainstream industry trends, and the industry penetration rates of digital equity products, intelligent marketing tools, and comprehensive computing power services have also steadily increased.

Against this backdrop, the Group continued to advance its digital transformation and upgrading by focusing on its core businesses of financial digital equity and digital marketing, while steadily implementing the industrial application of AI and the incubation of innovative businesses. During the Reporting Period, the Group completed the optimisation and upgrade of its organisational structure and its sales and operations teams, implemented refined operations and comprehensive cost control, further increased resource investments in AI research and development, and comprehensively solidified its core capabilities in operational management and technological research and development. By leveraging its high-quality product and service capabilities, the Group successfully won bids for multiple core cooperation projects of major state-owned banks, joint-stock commercial banks, and payment institutions in the first half of 2026, thereby continuously consolidating its industry-leading position in the field of financial digital equity services. Affected by industry market adjustments and the phased contraction of traditional businesses, the revenue of the Group for the first half of 2026 recorded a slight year-on-year decrease as compared to the previous year. However, through refined cost control, continuous optimisation of the business structure, and proactive development of high gross profit innovative equity businesses, the overall profitability and earnings quality of the Group improved as compared with the corresponding period of the previous year, while its financial structure continued to be optimised, and operational resilience was further enhanced.

For the six months ended 30 June 2026, the Group recorded a revenue of approximately RMB66.0 million, representing a decrease of approximately RMB3.9 million, or a year-on-year decrease of approximately 5.6%, as compared with approximately RMB69.9 million for the corresponding period of the previous year. The decrease in revenue was mainly due to the decline in income from the traditional business of mobile charges and mobile data usage top-up services in the first half of 2026. During the Reporting Period, the Group comprehensively implemented the operating strategy of cost reduction and efficiency enhancement and strictly controlled various operating expenses. Total expenses for the six months ended 30 June 2026 amounted to approximately RMB26.5 million, representing a decrease of approximately RMB6.3 million, or a year-on-year decrease of approximately 19.2%, as compared with approximately RMB32.8 million for the corresponding period of the previous year, highlighting the prominent effectiveness of its refined cost control.

Benefiting from the growth of the high gross profit equity product business, the optimisation of expenses and operational efficiency, and the upgrade of the overall business structure, the overall profitability of the Group for the first half of 2026 improved. The total profit attributable to owners of the Company for the six months ended 30 June 2026 amounted to approximately RMB15.4 million, representing an increase of approximately 23.8% as compared with approximately RMB12.5 million for the corresponding period of the previous year.

The Group has long been deeply engaged in the financial digital equity and digital marketing sectors. By leveraging its mature product systems, stable channel resources, and professional service capabilities, the Group continued to deepen its strategic partnerships with various financial institutions and leading internet platforms, thereby continuously consolidating its core business barriers. In the first half of 2026, the Group achieved fruitful bidding results, having successively secured digital equity projects from the head office and multiple branches of China Construction Bank Corporation, as well as virtual coupon and credit card centre service projects from Postal Savings Bank of China Co., Ltd. Furthermore, the Group secured and implemented digital marketing procurement projects for China Merchants Bank Co., Ltd. and China Minsheng Banking Corp., Ltd., while concurrently serving multiple institutions including BOC Expresspay (中銀通支付), the credit card centre of China CITIC Bank Corporation Limited, and Bank of Jiangxi Co., Ltd. These achievements enabled the Group to realise full coverage across major state-owned banks, joint-stock commercial banks, city commercial banks, and payment institutions, thereby resulting in a more balanced business layout.

Meanwhile, the Group continued to advance its innovative business layout, achieving orderly and steady development, thereby cultivating a brand-new growth curve for the Group. These include completing the comprehensive upgrade of the AI agent "Digifavor Assistant", iteratively launching the Digifavor AI Computing Power Platform (數惠 AI 算力平台), and driving the transition of AI technology from an auxiliary tool to full-scenario intelligent empowerment, thereby building a differentiated technological moat; as well as launching the "DGArts (數惠坊 DGArts)" privatised AI product to provide lightweight and exclusive deployment services for small and medium-sized enterprises. This product effectively resolves the industry pain points of weak implementation effects of general models, high scaling costs, and prominent data compliance risks, assisting customers in achieving the upgrade from "using AI" to "independently owning AI", thereby further enhancing the Group's AI product matrix. Furthermore, the Group launched the innovative One-Person Company ("**One-Person Company**") service zone, creating a new scenario portal for financial institutions to serve technological innovation enterprises. Currently, the pilot bank access of Bank of China Limited, Shenzhen Branch has been initiated to fully verify the closed-loop commercialisation. In addition, the Group incubated the innovative local lifestyle project "Yirenying (壹人贏)" through fund investments. By relying on its mature One-Person Company operational system, the Group focused on refined operations for entrepreneurial customer groups in the local lifestyle sector and deepened its presence in the service scenarios of micro, small and medium-sized entities, thereby continuously broadening its customer base and further broadening the business layout of the Group.

OUTLOOK

Currently, the global artificial intelligence industry has entered a new stage of high-quality development characterised by industrialised and large-scale implementation, autonomous operations driven by intelligent agents, as well as compliant and refined operations, with 2026 becoming a critical period for the large-scale commercial application of enterprise AI and the implementation of intelligent agents. Based on industry development trends and the overall strategic layout of the Group, the Group will continue to deepen the integrated AI service system of "computing power infrastructure + ecosystem operations + scenario implementation" to complete the core transformation from a "digital equity resource supplier" to a "digital equity ecosystem operator". By leveraging its existing core business barriers and forward-looking layout, the Group will further consolidate the advantages of its main business and expand its second growth curve, thereby promoting the steady growth of the Group's performance.

Looking forward to the second half of 2026 and beyond, the Group will continue to optimise its business structure and operating system, thereby promoting the sustainable development of the Group. At the core business level, the Group will continue to be deeply engaged in the core businesses of financial digital equity and digital marketing, actively pursue equity bidding projects of major banks, and deepen its long-term strategic cooperation with leading financial institutions. By steadily increasing the proportion of high gross profit businesses, the Group will consolidate the profitability fundamentals of its core main business. Meanwhile, the Group will accelerate the advancement of its AI innovation business, including continuously iterating and upgrading the AI computing power platform and the DGArts (數惠坊) privatised products, and deepening the implementation of AI applications in financial scenarios, thereby strengthening its technological barriers and product competitiveness. At the operational management level, the Group will continuously optimise its organisational structure and team configuration, and strengthen synergistic capabilities across research and development, operations, and sales. Furthermore, the Group will deepen cost reduction and efficiency enhancement measures and optimise its financial structure. By leveraging multi-dimensional innovation across technologies, scenarios, and business models, the Group will continuously tap into incremental business and steadily enhance its overall profitability and core competitiveness, thereby creating steady value returns for all shareholders of the Company.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the Group recorded a revenue of approximately RMB66.0 million, representing a decrease of approximately 5.6% as compared with approximately RMB69.9 million for the corresponding period in 2025. The decrease in revenue was mainly due to the decline in income from mobile charges and mobile data usage top-up services during the Reporting Period.

For the six months ended 30 June 2026, the Group achieved an income of approximately RMB35.9 million in the digital marketing business, as compared to the income of approximately RMB34.3 million for the corresponding period in 2025, which was mainly due to the expansion of cooperation between operating subsidiaries of the Group and China's renowned lifestyle service brands such as WeChat Pay and Alipay in 2025, and the introduction of diversified businesses such as instant cash reduction, card coupons and credit marketing. These measures continued to yield remarkable results in the first half of 2026, and the Group has also continued to strengthen the cooperation with customers in financial channels and large state-owned banks in the first half of 2026. The above efforts contributed to an increase in the transaction volume of digital commodities in the first half of 2026 as compared with the corresponding period in 2025.

Cost of Revenue

Cost of revenue decreased by approximately 24.7% to approximately RMB19.2 million for the six months ended 30 June 2026 from approximately RMB25.5 million for the six months ended 30 June 2025, mainly due to the decrease in the cost of mobile charges and mobile data usage top-up services and digital marketing services during the Reporting Period.

Gross Profit and Gross Profit Margin

Gross profit increased by approximately 4.1% to approximately RMB45.9 million for the six months ended 30 June 2026 from approximately RMB44.1 million for the six months ended 30 June 2025.

During the Reporting Period, top-up services recorded a gross profit of approximately RMB26.3 million, accounting for approximately 57.3% of the total gross profit; digital marketing services recorded a gross profit of approximately RMB19.6 million, accounting for approximately 42.7% of the total gross profit.

The Group's overall gross profit margin increased to approximately 69.5% for the six months ended 30 June 2026 from approximately 63.1% for the six months ended 30 June 2025, primarily attributable to the decrease in the corresponding platform handling fee and promotion cost of the digital marketing business in the first half of 2026 as compared with the corresponding period of the previous year.

Other (Expense)/Income, net

Other (expense)/income, net decreased by approximately 121.4% to other expenses, net of approximately RMB0.6 million for the six months ended 30 June 2026 from other income, net of approximately RMB2.8 million for the six months ended 30 June 2025. The decrease was primarily due to the decrease in government subsidy.

Distribution and Selling Expenses

Distribution and selling expenses decreased by approximately 22.8% to approximately RMB9.8 million for the six months ended 30 June 2026 from approximately RMB12.7 million for the six months ended 30 June 2025, primarily attributable to the decrease in staff cost and business sales expenses during the Reporting Period as compared to the corresponding period of the previous year.

Administrative Expenses

Administrative expenses decreased by approximately 13.0% to approximately RMB10.0 million for the six months ended 30 June 2026 from approximately RMB11.5 million for the six months ended 30 June 2025, primarily attributable to the streamlining of manpower in the middle and back office departments of the Group during the Reporting Period.

Research and Development Expenses

Research and development expenses decreased by approximately 1.6% to approximately RMB6.0 million for the six months ended 30 June 2026 from approximately RMB6.1 million for the six months ended 30 June 2025, primarily due to the decrease in staff cost during the Reporting Period.

Finance Costs

Finance costs decreased by approximately 70.8% to approximately RMB0.7 million for the six months ended 30 June 2026 from approximately RMB2.4 million for the six months ended 30 June 2025, primarily due to the decrease in average bank borrowing costs resulting from the prudent financial management strategy adopted by the Group during the Reporting Period, as compared with the corresponding period in 2025.

Income Tax Expense

Under the PRC EIT Law and Implementation Regulations of the PRC EIT Law, the tax rates of the PRC subsidiaries were 25% for the six months ended 30 June 2026 and 2025.

The income tax expense for the six months ended 30 June 2026 represented the provision of the EIT of approximately RMB3.6 million for the PRC subsidiaries (six months ended 30 June 2025: approximately RMB1.8 million). The increase in income tax expense was mainly attributable to the significant increase in assessable profit for the Reporting Period as compared with that of the corresponding period of the previous year.

Profit for the Period Attributable to Owners of the Company

As a result of the cumulative effects of the foregoing, profit for the six months ended 30 June 2026 was approximately RMB15.4 million, as compared with the profit for the six months ended 30 June 2025 of approximately RMB12.5 million.

Liquidity, Financial Resources and Capital Structure

There has been no change in the capital structure of the Company during the Reporting Period. The Group's working capital was funded by cash from operating activities, borrowings and proceeds from the global offering.

As at 30 June 2026, cash and cash equivalents of the Group was approximately RMB72.8 million, as compared with approximately RMB83.6 million as at 31 December 2025. The Group reported net current assets of approximately RMB349.3 million as at 30 June 2026, as compared with approximately RMB333.5 million as at 31 December 2025. The Group's current ratio was approximately 3.0 as at 30 June 2026, as compared with approximately 3.1 as at 31 December 2025.

The Group generally finances its operations with internally generated cash flow and credit facilities provided by its principal bankers. The management reviews the Group's capital needs on a monthly basis to meet the capital requirement for mobile top-up services and new business operations. The bank borrowings of the Group were RMB41.0 million and RMB89.9 million as at 31 December 2025 and 30 June 2026, respectively. As at 31 December 2025 and 30 June 2026, the bank borrowings, being interest-bearing bank borrowings which were denominated in Renminbi, carried fixed interest rates ranging from 2.6% to 3.5% per annum and were repayable within one year.

The Group currently does not adopt any financial instruments for hedging purposes. However, the Group continues to adopt a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. The Board closely monitors the liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Trade Receivables

Trade receivables mainly represent receivables from the Group's customers in relation to its mobile top-up services, digital marketing services and telecommunication equipment business with amounts of approximately RMB62.8 million, RMB205.3 million and RMB5.4 million, respectively. Trade receivables from mobile top-up services decreased from approximately RMB80.1 million as at 31 December 2025 to approximately RMB62.8 million as at 30 June 2026, primarily due to the decrease in transactions with longer credit period (ranging from 30 to 45 days from invoice date) with the banks. Trade receivables from digital marketing services increased from approximately RMB124.3 million as at 31 December 2025 to approximately RMB205.3 million as at 30 June 2026, primarily due to the increase in transactions with longer credit period (for no more than 60 days from invoice date) from the digital marketing events.

Trade receivables turnover days (calculated by the average of the beginning and ending balances of trade receivables of the year/period, divided by the gross transaction value with mobile users for the year/period and multiplied by 365 days for the year ended 31 December 2025 or 180 days for the six months ended 30 June 2026) for the six months ended 30 June 2026 was 12.46 days (for the year ended 31 December 2025: 7.45 days). The Company realised that the increase in transactions with longer credit period would require a much closer monitoring of the settlement in order to ensure business turnover. The Company will continue to monitor the credit risk by ongoing review of the settlement of customers, and evaluate the credit limits annually according to the track record and financial position of the counterparties. The Group's trading terms with the customers of Telecommunication Equipment Business, are mainly on credit with credit periods ranging from three months to three years depending on several factors including trade practice, the size of the contracts, credibility and reputation of the customers. In order to manage the credit risks associated with trade receivables with these customers effectively, credit limits of these customers are evaluated periodically. Overdue balances are reviewed regularly by the senior management. An impairment analysis is performed at each reporting date to measure expected credit losses.

Gearing Ratio

As at 30 June 2026, the gearing ratio (calculated by dividing total borrowings and bank overdrafts by total equity as at the end of the period) of the Group was 25.5% (as at 31 December 2025: 12.2%).

Capital Expenditures

For the six months ended 30 June 2026, the Group had capital expenditure of approximately RMB0.2 million, as compared with approximately RMB0.3 million for the six months ended 30 June 2025. The expenditure was mainly related to the acquisition of computer and office equipment for replacement in the course of daily operations.

Significant Investments

The Group has invested in Jiaxing Yunhui Xinzhi Equity Investment Partnership (Limited Partnership) (嘉興雲惠新智股權投資合夥企業(有限合夥)) ("**Jiaxing Yunhui**") with an investment amount of RMB19.0 million.

Save as disclosed above, the Group did not hold any significant investments during the six months ended 30 June 2026.

Capital Commitments

As at 30 June 2026, the Group had no capital commitments contracted but not provided for.

Foreign Exchange Risk

The Group's reporting currency is Renminbi in which the Group's material transactions are denominated. The net proceeds from the global offering are denominated in Hong Kong Dollars, which exposes the Group to market risk arising from changes in foreign exchange rate. The Group currently does not have a foreign currency hedging policy, however, the management of the Group will monitor foreign exchange exposure closely and consider the use of hedging instruments when the need arises.

Charges on Assets

As at 30 June 2026, the bank borrowings and bank overdrafts of RMB55.0 million were secured by certain of the Group's trade receivables (as at 31 December 2025: RMB11.0 million).

Contingent Liabilities and Guarantees

As at 30 June 2026, the Group did not have any significant contingent liabilities, guarantees or any litigation.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

In 2025, the Group fully subscribed for its capital contribution of RMB19.0 million in Jiaxing Yunhui. Jiaxing Yunhui primarily invests in unlisted enterprises which are in the early stage and growth stage and have innovative capacity, in the new consumption and artificial intelligence fields, and supports the development of such enterprises by way of equity investment. The Group believes that participating in potential growth areas such as new consumption and artificial intelligence through fund platforms can help the Group expand its investment portfolio and diversify investment risks. The technologies or products of some potential investees may be complementary to the Group's existing business, creating possibilities for future cooperation.

Save as disclosed above, for the six months ended 30 June 2026, the Group did not have any other specific plan for significant investments or acquisition of capital assets.

MATERIAL ACQUISITIONS OR DISPOSALS

For the six months ended 30 June 2026, the Group did not conduct any material acquisitions or disposals of subsidiaries, associates and joint ventures.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2026, the Group had 133 full-time employees (as at 31 December 2025: 159). Total staff cost (including Directors' emoluments) was approximately RMB21.5 million for the six months ended 30 June 2026, as compared with approximately RMB24.0 million for the six months ended 30 June 2025. The Group believes that employees are one of its most important assets and the Group strives to offer competitive remuneration to its employees. The Group has been recruiting and promoting individuals based on merit and their development potential. Remuneration package offered to all employees including Directors is determined with reference to their performance, qualifications, experience and the prevailing salary levels in the market. Apart from basic remuneration, share options or awards may be granted under the share schemes of the Company to eligible participants (including employees or Directors) by reference to the Group's performance as well as the individual's contribution. Besides, the Group has been providing training opportunities for its employees in order to enhance their qualifications and equip them with necessary skills.

The Company adopted a share option scheme (the "**2024 Share Option Scheme**") on 30 October 2024 in order to recognise and acknowledge the contributions which the eligible participants have made or may make to the Group. No share option has been granted, exercised, lapsed or cancelled by the Company under the 2024 Share Option Scheme for the six months ended 30 June 2026 since its adoption.

The Company adopted a share award scheme (the "**2024 Share Award Scheme**") on 30 October 2024 in order to recognise and acknowledge the contributions which the eligible participants have made or may make to the Group. No share award has been granted by the Company under the 2024 Share Award Scheme for the six months ended 30 June 2026 since its adoption.

The terms and details of the 2024 Share Option Scheme and the 2024 Share Award Scheme are set out in the circular of the Company dated 14 October 2024.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events that might affect the Group since the end of the six months ended 30 June 2026 and up to the date of this announcement.

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

As at 30 June 2026, the Company did not hold any treasury shares.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its code of conduct regarding Directors' securities transactions. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code during the six months ended 30 June 2026.

CORPORATE GOVERNANCE CODE

It is the belief of the Board that good corporate governance plays a vital part in maintaining the success of the Company. The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate accountability.

For the six months ended 30 June 2026, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules. The Company will continue to review the current corporate governance structure from time to time and shall make necessary changes when appropriate and report to shareholders of the Company accordingly.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process, risk management and internal control systems of the Group, oversee the audit process and select external auditors and assess their independence and qualifications. The Audit Committee comprises three independent non-executive Directors, namely Ms. Hong Ting, Dr. Li Yao and Mr. Zhang Mingqun. Ms. Hong Ting is the chairlady of the Audit Committee and she is an independent non-executive Director with the appropriate professional qualifications.

The Audit Committee has reviewed the unaudited consolidated interim results of the Company for the six months ended 30 June 2026 and agreed to the accounting principles and practices adopted by the Company.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ysdf.com.cn). The 2026 interim report of the Company will also be published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Yinsheng Digifavor Company Limited
Mr. Chong Wing Kin
Chairman and Non-executive Director

Hong Kong, 27 August 2026

As at the date of this announcement, Dr. Zhou Jinhuang and Mr. Huang Junmou are the executive Directors; Mr. Chong Wing Kin and Mr. Yu Zida are the non-executive Directors; and Mr. Zhang Mingqun, Dr. Li Yao and Ms. Hong Ting are the independent non-executive Directors.

The English text of this announcement shall prevail over its Chinese text in case of inconsistency.