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## Application Proof of



# Baige Online Digital Technology Co., Ltd. 白鴿在線(廈門)數字科技股份有限公司 (the “Company”)

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

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# Baige Online Digital Technology Co., Ltd. 白鴿在線(廈門)數字科技股份有限公司

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

[REDACTED]

Number of [REDACTED] under the : [REDACTED] H Shares (subject to the  
[REDACTED] [REDACTED])  
Number of [REDACTED] : [REDACTED] H Shares (subject to  
[REDACTED])  
Number of [REDACTED] : [REDACTED] H Shares (subject to  
[REDACTED] and the [REDACTED])  
[REDACTED] : [REDACTED] per H Share plus  
brokerage of 1.0%, SFC transaction  
levy of 0.0027%, Stock Exchange  
trading fee of 0.00565% and AFRC  
transaction levy of 0.00015% (payable  
in full on application in Hong Kong  
dollars and subject to refund)  
Nominal value : RMB[0.25] per H Share  
[REDACTED] : [●]

*Joint Sponsors, [REDACTED]*



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The [REDACTED] is expected to be determined by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and our Company on the [REDACTED], which is expected to be on or about [REDACTED] and, in any event, not later than 12:00 noon on [REDACTED]. The [REDACTED] will not be more than HK\$[REDACTED] per H Share and is expected to be not less than HK\$[REDACTED] per H Share, unless otherwise announced.

The [REDACTED] (for themselves and on behalf of the [REDACTED]), may, with our Company's consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] below as stated in this document at any time on or prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, an announcement will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company at [www.baigebao.com](http://www.baigebao.com) not later than the morning of the day which is the last day for lodging applications under the [REDACTED]. Details of the arrangement will then be announced by us as soon as practicable. For more details, please refer to the sections headed "Structure of the [REDACTED]" and "How to Apply for [REDACTED]" in this document.

We are incorporated, and substantially all of our businesses are located, in the PRC. Potential investors should be aware of the differences in the legal, economic and financial systems between the mainland of the PRC and Hong Kong and that there are different risk factors relating to investment in PRC-incorporated business. Potential investors should also be aware that the regulatory framework in the PRC is different from the regulatory framework in Hong Kong and should take into consideration the different market nature of the H Shares. Such differences and risk factors are set out in "Risk Factors" and "Regulatory Overview" in this document and in Appendix III, Appendix IV and Appendix V to this document.

The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the [REDACTED] (for itself and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. Such grounds are set out in "[REDACTED]".

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and may not be [REDACTED], sold, pledged or transferred within the United States. The [REDACTED] may be [REDACTED], sold or delivered outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act.

[REDACTED]

[REDACTED]

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**IMPORTANT**

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[REDACTED]

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**IMPORTANT**

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[REDACTED]

## EXPECTED TIMETABLE

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[REDACTED]

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[REDACTED]

## EXPECTED TIMETABLE

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[REDACTED]

## EXPECTED TIMETABLE

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[REDACTED]



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## SUMMARY

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*This summary aims to give you an overview of the information contained in this prospectus. Because this is a summary, it does not contain all the information that may be important to you. You should read the entire prospectus before you decide to invest in the [REDACTED]. There are risks associated with any investment.*

*Some of the particular risks in investing in the [REDACTED] are set out in “Risk Factors”. You should read that section carefully before you decide to invest in the [REDACTED]. Various expressions used in this section are defined in sections headed “Definitions” and “Glossary of Technical Terms” in this prospectus.*

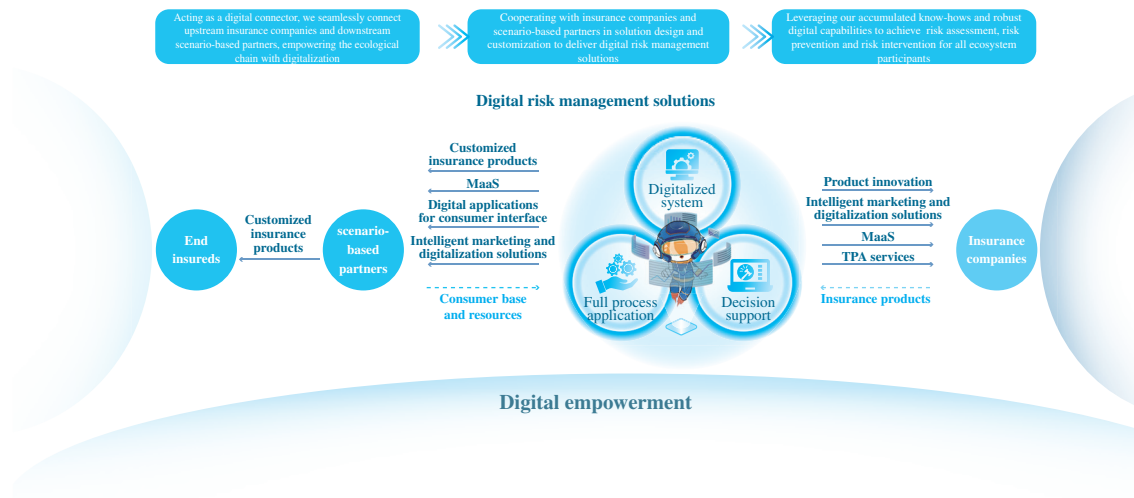
## OVERVIEW

We are a leading digital risk management solutions provider in the scenario-based insurance market in the PRC. By utilizing scenario-based insurance primarily as a tool, we generate revenue by providing innovative and technology-empowered risk management financial services, intelligent marketing and digitalization solutions and TPA services. According to the CIC Report, we ranked first among China’s scenario-based insurance digital risk management solutions providers with a market share of 4.4% in China in terms of revenue in 2023. The scenario-based insurance market in China has experienced constant growth with a market size (in terms of premium income) of RMB51.1 billion in 2019 to RMB79.4 billion in 2023, and will maintain a steady growth trend with an expectation to reach RMB130.1 billion in 2028, representing a CAGR of 10.4% between 2023 and 2028. As a digital connector among insurance companies, scenario-based partners and end consumers, we cooperate closely with upstream insurance companies and downstream scenario-based partners in solution design and customization to deliver digital risk management solutions to all ecosystem participants.

Differentiated from traditional insurance intermediaries, we take a proactive approach to stimulate, identify and uncover the needs of risk management under different scenarios and transform a traditional approach to assess and tackle risks by providing digitalized and customized risk management solutions specifically tailored to different scenarios. Leveraging our robust digital capabilities, we move beyond merely delivering standardized insurance products but focus more on providing comprehensive coverage that is specifically designed to manage the diverse risks encountered by ecosystem partners in their day-to-day operations and risks faced by end consumers in their daily lives. Our offerings span nine ecosystems, such as mobility, healthcare and public services, ensuring a holistic approach to address different risks across various scenarios in more than one ecosystem, rather than narrowly focusing on a single type of risks within a specific scenario. We have expanded our business portfolio to nine ecosystems and will continue to explore opportunities in more ecosystems.

## SUMMARY

Our innovative and technology-empowered business model establishes a seamless connection among upstream insurance companies and downstream scenario-based partners, such as financial institutions, enterprises and governments, aiming to solve the pain points faced by all these ecosystem participants through providing digital risk management solutions. As a provider of digital risk management solutions, we have built a close cooperation network with insurance companies and scenario-based partners. The diagram below illustrates our business network:



For end insureds, we are committed to fostering a comprehensive risk management environment that empowers individuals with the tools and support necessary to navigate risks confidently. End insureds can seamlessly access insurance products and manage their policies and claims settlement intelligently through our partners’ platforms, which are connected to our self-developed SaaS application system. For downstream scenario-based partners, we actively identify the risks they encounter under different scenarios and design appropriate digital risk management solutions. We view customized insurance products as tools to achieve risk management purposes by building operational infrastructure and provide intelligent marketing and digitalization solutions to support their business development. For upstream insurance companies, we assist insurance companies in identifying the real needs of scenario-based partners in the “9+N Ecosystems” under different scenarios and collaborate with them to design, develop and refine insurance products.

During the Track Record Period, we experienced significant growth in revenue and gross profit. The table below sets forth our revenue and gross profit from our continuing operations during the Track Record Period:

	For the year ended December 31,		For the nine months ended September 30,	
	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue . . . . .	404,524	659,902	454,187	631,191
Gross profit . . . . .	33,505	52,050	34,951	50,610

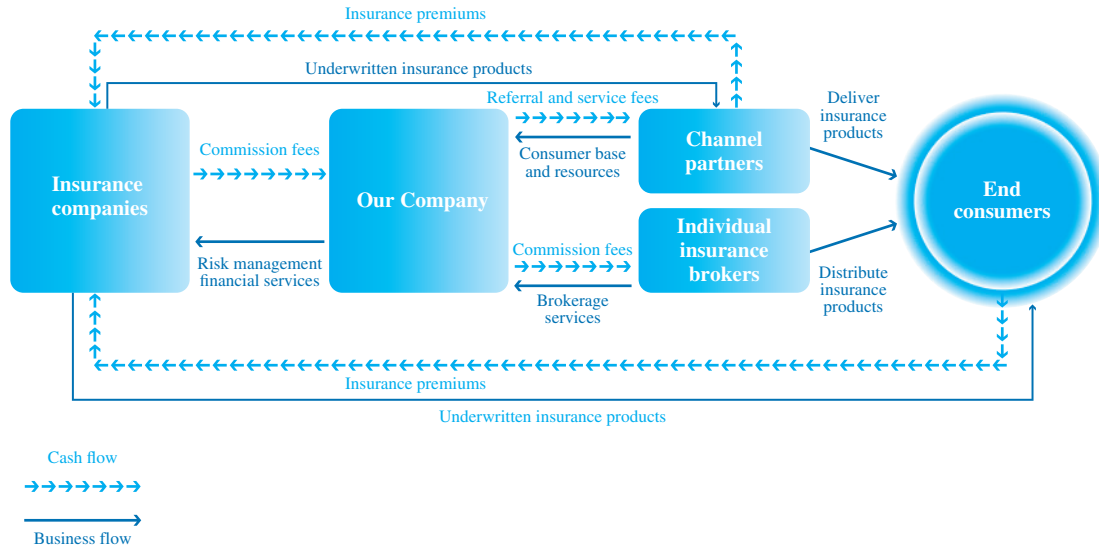
*(unaudited)*



## SUMMARY

### Risk management financial services

Moving beyond merely delivering standardized insurance products, we cooperate with insurance companies to design customized insurance products, empowering us to target on various risks more precisely. Leveraging our accumulated know-hows and robust digital capabilities, we are able to actively identify and assess risks across various business scenarios. The diagram below illustrates the business flow and revenue source of our risk management financial services:



By evaluating enterprises’ profiles and specific scenarios they face, we design and propose preliminary digital risk management solution plans to our partners. Focusing on distinct risks and corresponding needs of ecosystem participants in different ecosystems, we have cooperated with over 70 major insurance companies in the PRC to design, develop and refine insurance products. We view customized insurance products as essential tools for the purpose of effective risk management and deliver a wide range of insurance products underwritten by insurance companies through our channel partners and individual insurance brokers.

We design and provide scenario-oriented digital risk management solutions as tools to achieve risk management purposes, addressing scenario-based partners’ and end insureds’ needs in different ecosystems. Oriented by different scenarios in our “9+N Ecosystems”, the customized insurance products are embedded in their business operations under different scenarios, allowing potential end insureds to seamlessly access our products and services as part of their everyday experiences. Our collaborations with these partners empower us to build valuable end consumer database, enabling us to have a comprehensive understanding of end consumers’ behaviors. This insight allows us to develop innovative products and solutions, improve intelligent claims settlement process and implement dynamic risk management.

## SUMMARY

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### **Intelligent marketing and digitalization solutions**

Leveraging our accumulated know-hows and comprehensive data analyses, we offer intelligent marketing services, assisting our partners in precision marketing. We have a precision understanding about the business nature and commercial needs of our partners and profiles of end consumers. The depth of insight allows us to build a robust cross-reference network among our partners and create a precision marketing environment. We integrate diverse end consumer bases and, through comprehensive analysis, identify their specific needs and preferences. We strategically re-introduce end consumers to our partners whose offerings align with their interests.

Meanwhile, we recognize the demand for digitalization in various ecosystems and have successfully introduced digitalization solutions to facilitate the operation of digital risk management solutions. We also offer our self-developed SaaS application system and user-friendly API integration, which facilitates seamless connection and empowers both insurance companies and scenario-based partners to manage their operations efficiently and intelligently. Our solutions are centered around our self-developed Baige eBao SaaS application system, which is cloud-based, dynamically configurable and scalable that can quickly meet the diverse business needs of our partners under different scenarios across ecosystems. Our partners can directly access the SaaS application system through customized API interfaces, and we can also embed the SaaS application system into our partners' operation systems. The Baige eBao SaaS application system provides our partners with comprehensive solutions that outline the business processes to optimize workflow and cashflow and design interface to ensure a smoother and better user experience while facilitating the connection among different partners. In 2024, we initiated our risk management digital transformation towards large models, enabling automation in our digitalization solutions and started to develop MaaS business including six models, namely, Ark Forewarning (方舟), Feimiao Pricing (飛秒), Zhitong Forecasting (智瞳), Intelligent Recommendation (樂薦), Insight Analysis (睿析) and Credit Verification (鑒信), for insurance companies and financial institutions to improve the efficiency of business operation and reduce costs of decision making.

### **TPA services**

We provide TPA services primarily to insurance companies and are authorized to assist them in claims settlement and consultation services. We have a dedicated and experienced customer service team to provide end insureds with one-on-one insurance policy consultation, claim support and other services via phone calls, online chat and emails. By leveraging cutting-edge technology and industry expertise, we ensure real-time support, enabling shorter response time and more accurate information. In addition to our customer service, we provide comprehensive data analytics to help insurance companies make informed decisions regarding risk assessment, product development and market trends. Our services not only streamline operations but also enhance customer satisfaction, helping insurance companies maintain a competitive edge in the ever-evolving industry.

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## SUMMARY

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### OUR BRANDS, SALES AND MARKETING

We rely on our online platforms to promote and deliver digital risk management solutions. Our online platforms cater to different needs of insurance companies, scenario-based partners, insurance brokers and end consumers. Our Baige eBao (白鴿e保) platform provides insurance company partners and scenario-based partners with one-stop comprehensive SaaS application system, including but not limited to, insurance application management, data management, insurance claims settlement and statistical analysis. Our Baige TanBao (白鴿探保) WeChat Official Account provides insurance brokers with a tool to conduct their business. Our Baige LeBao (白鴿樂保) APP provides end consumers with comprehensive value-added services to have more engagement with Baige’s community. We also operate on other online platforms, such as WeChat Official Account Baige Accompanying You (白鴿陪你行) for the purpose of claim settlement and Baige Insurance Talk (白鴿說保險) for educating purposes. See “Business — Our Brands and Main Operating Platforms.”

We deliver our risk management financial services and insurance products underwritten by our upstream insurance companies mainly through (i) channel partners and (ii) individual insurance brokers.

Our channel partners include our scenario-based partners and technology companies that offer referral and promotion services to increase our exposure. Insurance products are embedded in the business operations under different scenarios and offered to end consumers. Upon receipt of commission from insurance companies, we will pay referral fees to our channel partners for successful purchase of insurance products by end consumers. During the Track Record Period, we cooperated with 204, 207 and 212 channel partners as of December 31, 2022, December 31, 2023 and September 30, 2024, respectively.

Our individual insurance brokers possess professional insurance knowledge and experience and promote insurance products through our Baige TanBao platform on WeChat. Individuals can become our brokers by completing online training programs provided by us and earn commission fees for successful distribution. All qualified insurance brokers engaged by us are registered with the NFRA. Due to their registered status, they are governed by the applicable regulations of the NFRA and are permitted to engage in the sale of insurance products we select. See “Business — Sales and Marketing.”

### OUR TECHNOLOGIES AND RESEARCH AND DEVELOPMENT

We believe that the continued success of our business is dependent on our strong digital capabilities, which supports our entire operation process and improves operational efficiency. During the Track Record Period, we consistently increased our investments in R&D. For the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, we incurred research and development expenses amounting to RMB14.1 million, RMB15.7 million and RMB16.5 million, respectively, accounting for 3.5%, 2.4% and 2.6% of our revenue during the same periods, respectively.



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## SUMMARY

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Our digital capabilities are essential for the operations of our full-process digital risk management solutions. We combine our self-developed, scenario-based SaaS application system platforms with a robust back-end big data system and underlying algorithm to create an integrated matrix that designs solutions and enhances their effectiveness throughout our operations. This integrated matrix not only streamlines our risk management processes but also supports continuous improvement and innovation in full-process offerings. Through the classification of nine major ecosystems, we have effectively consolidated risk data from diverse scenarios, enabling the collection of comprehensive risk information related to individuals across multiple sectors and facilitating the creation of detailed and nuanced user profiles and analysis centered at individuals. We are also expanding our business portfolio into new ecosystems and exploring more needs of risk management. As of the Latest Practicable Date, we have over 302 million insured user profiles, data from 68 different production and lifestyle scenarios, over 200,000 claims reports and more than 8.4 billion policy records.

As we iterated and upgraded our intelligent infrastructure SaaS platform and big data system, we initiated our risk management digital transformation towards large models, enriching our expertise in terms of risk perception, risk forecast, risk control and risk intervention. Utilizing data from multiple sources, including our SaaS platforms, we began developing six MaaS-backed models powered by machine learning and AI to automate insights and support informed decision-making in 2024. For more details, please refer to the section headed “Business — Our Technologies and Research and Development” in this document.

### OUR CUSTOMERS AND SUPPLIERS

Our customers are primarily insurance companies in the PRC. For the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, our Group had cooperation with 71, 80 and 75 insurance companies. For each of the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, the aggregate revenue generated from our five largest customers in each year amounted to RMB223.6 million, RMB455.1 million and RMB499.7 million, respectively, representing 55.3%, 69.0% and 79.2% of our total revenue, respectively. To the best knowledge of our Directors, during the Track Record Period, all of our five largest customers were Independent Third Parties. None of our Directors or any Shareholders owning more than 5% of our issued share capital nor any of their respective associates had any interest in any of our five largest customers. See “Business — Our Customers.”

Our suppliers primarily consist of (i) channel partners, (ii) IT services providers and (iii) information technology for promotion services. During the Track Record Period, purchases from our five largest suppliers for each of the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024 amounted to RMB182.9 million, RMB265.3 million and RMB254.0 million, respectively, representing 45.7%, 40.6% and 41.2% of our total purchases, respectively. To the best knowledge of our Directors, for each year during the Track Record Period, all of our five largest suppliers were Independent Third Parties. None of our Directors or any Shareholders owning more than 5% of our issued share capital nor any of their respective associates had any interest in any of our five largest suppliers. See “Business — Our Suppliers.”

## SUMMARY

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### OUR STRENGTHS

We believe the following strengths contribute to our success and differentiate us from our competitors: (i) leading digital risk management solutions provider in the scenario-based insurance market in the PRC; (ii) outstanding solution customization and innovation capabilities to meet the risk management needs in diverse scenarios; (iii) long-term stable cooperation with scenario-based partners and insurance companies, with potential for business growth; (iv) technology driven service solutions covering lifecycle of insurance business; (v) application of big data empowering ecosystem partners; and (vi) an experienced management team with visionary leadership, competitive mindset and excellent execution capabilities. See “Business — Our Competitive Strengths.”

### OUR STRATEGIES

We believe the following strategies pave the way for our sustained success in the future: (i) centered at the national goal of building a “financial powerhouse”, continuously supporting the transformation and upgrade of the risk management and insurance industries; (ii) empowering more participants in the value chain to enhance our profitability; (iii) increasing investment in research and technologies; (iv) enhancing our brand awareness and market share; (v) prudent investment and acquisition in the insurance ecosystem and cutting-edge digital technologies; and (vi) partnering with Chinese enterprises to globalization. See “Business — Our Strategies.”

### SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our historical financial information for the periods or as of the dates indicated. This summary has been derived from our historical financial information set forth in the Accountants’ Report in Appendix I to this document. The summary historical financial data set forth below should be read together with, and is qualified in its entirety by reference to, the historical financial information included in the Accountants’ Report in Appendix I to this document, including the accompanying notes, and the information set forth in “Financial Information.” Our historical financial information was prepared in accordance with HKFRS.

## SUMMARY

### Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	For the year ended December 31,		For the nine months ended September 30,	
	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(unaudited)</i>	
Revenue . . . . .	404,524	659,902	454,187	631,191
Cost of revenue . . . . .	<u>(371,019)</u>	<u>(607,852)</u>	<u>(419,236)</u>	<u>(580,581)</u>
<b>Gross profit . . . . .</b>	<b>33,505</b>	<b>52,050</b>	<b>34,951</b>	<b>50,610</b>
Other income and gains . . . . .	4,637	14,463	7,787	6,822
Allowance for impairment loss on financial assets, net . . . . .	(1,285)	(1,743)	(2,050)	(1,604)
Selling and distribution expenses . . . . .	(28,798)	(40,883)	(28,364)	(33,857)
Administrative expenses . . . . .	(13,795)	(18,616)	(14,146)	(15,173)
Research and development expenses . . . . .	<u>(14,057)</u>	<u>(15,662)</u>	<u>(7,899)</u>	<u>(16,497)</u>
<b>Loss from operations . . . . .</b>	<b>(19,793)</b>	<b>(10,391)</b>	<b>(9,721)</b>	<b>(9,699)</b>
Finance costs . . . . .	<u>(5,536)</u>	<u>(6,904)</u>	<u>(5,129)</u>	<u>(6,231)</u>
<b>Loss before tax . . . . .</b>	<b>(25,329)</b>	<b>(17,295)</b>	<b>(14,850)</b>	<b>(15,930)</b>
Income tax credit . . . . .	<u>254</u>	<u>115</u>	<u>130</u>	<u>354</u>
<b>Loss for the year/period . . .</b>	<b><u>(25,075)</u></b>	<b><u>(17,180)</u></b>	<b><u>(14,720)</u></b>	<b><u>(15,576)</u></b>

### Non-HKFRS Measure

To supplement our consolidated financial statements of profit or loss and other comprehensive income, which are presented in accordance with HKFRS, we also use adjusted loss for the year/period (non-HKFRS measure) as an additional financial measure. We present this financial measure because it is used by our management to evaluate our financial performance by eliminating the impact of the [REDACTED]. We also believe that this non-HKFRS measure provides additional information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management and in comparing financial results across accounting periods and to those of our peer companies.

## SUMMARY

The term adjusted loss for the year/period is not defined under HKFRS. As a non-HKFRS measure, adjusted loss for the year/period is presented because our management believes such information will be helpful for investors in assessing the effect of the [REDACTED] on our profit. The use of the adjusted loss for the year/period (non-HKFRS measure) has material limitations as an analytical tool as it does not include all items that impact our loss for the relevant periods. In light of the foregoing limitations, when assessing our operating and financial performance, you should not view the adjusted loss for the year/period (non-HKFRS measure) in isolation or as a substitute for our loss for the year/period or any other operating performance measure that is calculated in accordance with HKFRS. In addition, because this non-HKFRS measure may not be calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies.

The following table reconciles our adjusted loss for the years/periods (non-HKFRS measure) against loss for the years/periods presented in accordance with HKFRS, which is profit from our continuing operations:

	For the year ended December 31,		For the nine months ended September 30,	
	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(unaudited)</i>	
<b>Loss for the year/period . . .</b>	<b><u>(25,075)</u></b>	<b><u>(17,180)</u></b>	<b><u>(14,720)</u></b>	<b><u>(15,576)</u></b>
Add:				
[REDACTED] . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<i>(Gains)/loss in connection with puttable shares liabilities</i>				
Interest on puttable shares liabilities . . . . .	4,746	6,416	4,741	5,909
Gain on initial recognition of puttable shares liabilities .	–	–	–	(3,944)
Gain on modification of puttable shares liabilities .	–	(5,086)	–	–
Share-based compensation . . .	<u>606</u>	<u>2,390</u>	<u>1,775</u>	<u>1,833</u>
<b>Adjusted loss for the year/period (non-HKFRS measure) . . . . .</b>	<b><u>(19,723)</u></b>	<b><u>(13,460)</u></b>	<b><u>(8,204)</u></b>	<b><u>(8,887)</u></b>

Our net loss decreased from RMB25.1 million in 2022 to RMB17.2 million in 2023, primarily due to the increase in the gross profit of our risk management financial services. Our net loss increased from RMB14.7 million for the nine months ended September 30, 2023 to RMB15.6 million for the nine months ended September 30, 2024, primarily due to an increase in [REDACTED], selling and distribution expenses and research and development expenses, partially offset by an increase in the overall gross profit.

## SUMMARY

### Selected Consolidated Statements of Profit or Loss Items and Other Comprehensive Income

#### *Revenue, gross profit and gross profit margin by business segment*

The following table sets forth the breakdown of our revenue by business segment for the years/periods indicated:

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
					<i>(unaudited)</i>	<i>(unaudited)</i>		
Risk management financial services . . . . .	311,365	77.0	535,927	81.2	365,863	80.6	574,242	91.0
Intelligent marketing and digitalization solutions . .	86,926	21.5	115,671	17.5	81,911	18.0	54,651	8.7
TPA services . . . . .	6,233	1.5	8,304	1.3	6,413	1.4	2,298	0.3
<b>Total . . . . .</b>	<b>404,524</b>	<b>100.0</b>	<b>659,902</b>	<b>100.0</b>	<b>454,187</b>	<b>100.0</b>	<b>631,191</b>	<b>100.0</b>

The following table sets forth a breakdown of gross profit and gross profit margin by business segment for the years/periods indicated:

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
					<i>(unaudited)</i>	<i>(unaudited)</i>		
Risk management financial services . . . . .	31,173	10.0	48,983	9.1	32,803	9.0	49,261	8.6
Intelligent marketing and digitalization solutions . .	1,540	1.8	973	0.8	731	0.9	905	1.7
TPA services . . . . .	792	12.7	2,094	25.2	1,417	22.1	444	19.3
<b>Total . . . . .</b>	<b>33,505</b>	<b>8.3</b>	<b>52,050</b>	<b>7.9</b>	<b>34,951</b>	<b>7.7</b>	<b>50,610</b>	<b>8.0</b>

For the years ended December 31, 2022 and 2023 and nine months ended September 30, 2023 and 2024, we experienced an overall growth in gross profit and recorded gross profit of RMB33.5 million, RMB52.1 million, RMB35.0 million and RMB50.6 million, corresponding to gross profit margin of 8.3%, 7.9%, 7.7% and 8.0%, respectively.

## SUMMARY

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The gross profit for our risk management financial services increased from RMB31.2 million in 2022 to RMB49.0 million in 2023, and increased from RMB32.8 million for the nine months ended September 30, 2023 to RMB49.3 million for the nine months ended September 30, 2024. The gross profit margin for our risk management financial services decreased from 10.0% in 2022 to 9.1% in 2023. For the nine months ended September 30, 2023 and 2024, we recorded similar gross profit margin for our risk management financial services with 9.0% and 8.6% for the respective periods.

### *Revenue from risk management financial services by ecosystem*

We deliver a comprehensive mix of insurance products underwritten by our upstream insurance company partners, providing end insureds in different scenarios customized protection. These scenarized insurance products are categorized into nine ecosystems, namely, (i) mobility, (ii) general human resources, (iii) inclusive finance, (iv) medical and healthcare, (v) public services, (vi) auto services, (vii) education, (viii) logistics and (ix) e-engineering ecosystems.

## SUMMARY

The table below sets forth the GWP and commission income generated from insurance company partners for distribution of their insurance products in each ecosystem for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,							
	2022			2023			2023			2024				
	GWP RMB'000	Commission income RMB'000	Average commission rate %	Percentage of commission income RMB'000	Commission income RMB'000	Average commission rate %	GWP RMB'000	Commission income RMB'000	Percentage of commission income RMB'000	Commission income RMB'000	Average commission rate %	Percentage of commission income RMB'000	Commission income RMB'000	Average commission rate %
<b>Ecosystem</b>														
Auto services . . . . .	1,099,191	115,036	36.9	10.5	1,406,407	131,771	24.6	9.4	990,463	93,912	25.7	9.5	901,090	66,716
Inclusive finance . . . . .	90,917	8,241	2.6	9.1	291,267	141,806	26.5	48.7	181,012	74,757	20.4	41.3	404,179	269,541
Public services . . . . .	186,044	54,520	17.5	29.3	293,308	98,894	18.5	33.7	216,533	70,657	19.3	32.6	208,017	78,591
Mobility . . . . .	103,993	21,639	6.9	20.8	169,545	41,623	7.8	24.5	125,224	30,402	8.3	24.3	151,287	35,906
General human resources . . . . .	151,906	35,465	11.4	23.3	181,428	38,761	7.2	21.4	143,720	31,233	8.5	21.7	166,085	35,897
Others <sup>Note</sup> . . . . .	369,072	76,464	24.7	20.7	364,148	83,072	15.4	22.8	281,390	64,902	17.8	23.1	479,440	87,591
<b>Total</b> . . . . .	<u>2,001,123</u>	<u>311,365</u>	<u>100.0</u>	<u>15.6</u>	<u>2,706,103</u>	<u>535,927</u>	<u>100.0</u>	<u>19.8</u>	<u>1,938,342</u>	<u>365,863</u>	<u>100.0</u>	<u>18.9</u>	<u>2,310,098</u>	<u>574,242</u>

*Note:* Other ecosystems include medical and healthcare ecosystem, education ecosystem, logistics ecosystem and e-engineering ecosystem.

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## SUMMARY

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During the Track Record Period, our revenue from risk management financial services recorded an increasing trend, primarily driven by the rise in commission income from the distribution of insurance products. This increase aligns with the increase in GWP we facilitated, primarily attributable to our overall business growth. In particular, the commission income attributable to our inclusive finance ecosystem increased from RMB8.2 million in 2022 to RMB141.8 million in 2023, and from RMB74.8 million for the nine months ended September 30, 2023 to RMB269.5 million for the nine months ended September 30, 2024. This growth was attributed to our delayed payment insurance that commenced in July 2023, which subsequently became our highest revenue generating product for the nine months ended September 30, 2024.

During the Track Record Period, we observed a general upward trend in the commission rates we received from insurance companies. Our average commissions rate increased from 15.6% in 2022 to 19.8% in 2023, and from 18.9% for the nine months ended September 30, 2023 to 24.9% for the nine months ended September 30, 2024, primarily attributable to our ongoing expansion and the maturation of the markets we have explored, enhancing our bargaining position with insurance companies.

During the Track Record Period, we from time to time introduced new insurance products across different ecosystems. Commission rate for each insurance product differs depending on various factors, including but not limited to, the expectation of insurance companies, the anticipated claim rate, market demand for insurance products and our service coverage. The ongoing changing product mix therefore led to fluctuations in the average commission rates for some ecosystems. The average commission rate for our inclusive finance ecosystem increased from 9.1% in 2022 to 48.7% in 2023 and from 41.3% for the nine months ended September 30, 2023 to 66.7% for the nine months ended September 30, 2024, driven by the significant increase in the delivery of delayed payment insurance, which generally charge higher commission rates and raised the average commission rate during the Track Record Period. Our average commission rate for public services ecosystem grew from 29.3% in 2022 to 33.7% in 2023, and from 32.6% for the nine months ended September 30, 2023 to 37.8% for the nine months ended September 30, 2024, primarily due to a continuous increase in the proportion of commission income attributable to a domestic property insurance product which features higher commission rates. During the Track Record Period, our average commission rates for general human resources ecosystem, mobility ecosystem and auto services ecosystem ranged from 21.4% to 23.3%, from 20.8% to 24.5% and from 7.4% to 10.5%, respectively, and were relatively stable.



## SUMMARY

### *Revenue from intelligent marketing and digitalization solutions by type of customers*

The table below sets forth the revenue generated from our intelligent marketing and digitalization solutions by type of customers for the years/periods indicated:

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
					<i>(unaudited)</i>		<i>(unaudited)</i>	
Insurance companies . . . . .	20,726	23.8	53,395	46.2	42,521	51.9	18,148	33.2
Other enterprises . . . . .	66,200	76.2	62,276	53.8	39,390	48.1	36,503	66.8
<b>Total</b> . . . . .	<u>86,926</u>	<u>100.0</u>	<u>115,671</u>	<u>100.0</u>	<u>81,911</u>	<u>100.0</u>	<u>54,651</u>	<u>100.0</u>

Our revenue from intelligent marketing and digitalization solutions increased from RMB86.9 million in 2022 to RMB115.7 million in 2023 as a result of the increase in the number of our projects during the respective years. Our revenue from intelligent marketing and digitalization solutions decreased from RMB81.9 million for the nine months ended September 30, 2023 to RMB54.7 million for the nine months ended September 30, 2024, primarily attributable to completion of certain intelligent marketing projects delivered to insurance companies during the period. Following the completion of these projects, insurance companies in general transitioned to engaging us for risk management financial services, encompassing more comprehensive services rather than solely intelligent marketing solutions.

### *Revenue from TPA services*

Revenue generated from our TPA services increased from RMB6.2 million in 2022 to RMB8.3 million in 2023. We recorded a decrease from RMB6.4 million for the nine months ended September 30, 2023 to RMB2.3 million for the nine months ended September 30, 2024, resulting from cessation of TPA engagements with certain insurance companies.

## SUMMARY

### Summary of the Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,		As of September 30,
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets . . . . .	21,222	22,889	22,119
Current assets . . . . .	146,456	163,550	151,574
Total assets . . . . .	167,678	186,439	173,693
Current liabilities . . . . .	114,739	139,413	120,807
Net current assets . . . . .	31,717	24,137	30,767
Non-current liabilities . . . . .	54,854	55,731	75,334
Net liabilities . . . . .	(1,915)	(8,705)	(22,448)

Our net current assets increased from RMB24.1 million as of December 31, 2023 to RMB30.8 million as of September 30, 2024 primarily due to (i) an increase in bank and cash balances; and (ii) a decrease in trade and other payables, partially offset by (iii) a decrease in trade receivables; and (iv) a decrease in deposits, prepayments and other receivables. Our net current assets decreased from RMB31.7 million as of December 31, 2022 to RMB24.1 million as of December 31, 2023 primarily due to (i) an increase in trade and other payables; and (ii) an increase in deposits, prepayments and other receivables; partially offset by (iii) an increase in bank and cash balances; (iv) an increase in trade receivables.

As of December 31, 2022, 2023 and September 30, 2024, we recorded net liabilities of RMB1.9 million, RMB8.7 million and RMB22.4 million, respectively. The net liabilities during the Track Record Period were primarily due to our puttable shares liabilities, representing the contingently redeemable preferred shares, which amounted to RMB51.7 million, RMB53.0 million and RMB74.2 million as of December 31, 2022, 2023 and September 30, 2024, respectively. Our puttable shares liabilities did not affect our profitability of regular business operations, working capital sufficiency and operating cash flow during the Track Record Period. Furthermore, our puttable shares liabilities will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares and our position of net liabilities would turn into net assets upon the [REDACTED]. For details, see “Financial Information — Description of Certain Items of Consolidated Statements of Financial Position” and “Risk Factors — Risks Relating to Our Business and Industry — We recorded net liabilities during the Track Record Period, which we may continue to experience in the future”.

In addition, we and our Directors believe that we have sufficient working capital to meet our present requirements and for the next 12 months following the date of this document because we had achieved quicker settlement during the Track Record Period, as evidenced by the fact that our trade receivables turnover days decreased from 57.9 days in 2022 to 50.1 days in 2023, and were 36.6 days for the nine months ended September 30, 2024. We plan to further improve our working capital and liquidity position through net [REDACTED] from

## SUMMARY

[REDACTED]. We will consider and ensure our working capital sufficiency before implementing any expansion plan. Based on the written confirmation from the Company in respect of working capital sufficiency, the review of Accountants’ Report and the indebtedness statement of the Company, the conducting of financial due diligence on the historical financial information of our Group during the Track Record Period, the review of the relevant terms in relation to the contingently redeemable preferred shares and the discussion with our Directors, taking into account the working capital statement and memorandum on working capital forecast as well as the Company’s cash and cash equivalents, our Group’s plan on improving its working capital and liquidity position as stated above, and the net [REDACTED] from the [REDACTED], the Joint Sponsors concur with our Company’s and the Directors’ view.

### Summary of the Consolidated Statements of Cash Flows

During the Track Record Period, we have funded our operations primarily through capital injection from shareholders and cash from operations. The following table summarizes for the years/periods indicated, our consolidated statements of cash flows:

	For the year ended December 31,		For the nine months ended September 30,	
	2022	2023	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
			<i>(unaudited)</i>	
<b>Cash (used in)/generated</b>				
<b>from operations</b> . . . . .	(9,268)	6,230	1,904	(13,146)
Income tax paid . . . . .	<u>(48)</u>	<u>(192)</u>	<u>(191)</u>	<u>(140)</u>
<b>Net cash (used in)/generated</b>				
<b>from operating activities</b> .	<u>(9,316)</u>	<u>6,038</u>	<u>1,713</u>	<u>(13,286)</u>
<b>Net cash generated</b>				
<b>from/(used in) investing</b>				
<b>activities</b> . . . . .	<u>384</u>	<u>4,542</u>	<u>(5,683)</u>	<u>(24,652)</u>
<b>Net cash generated from</b>				
<b>financing activities</b> . . . . .	<u>14,980</u>	<u>13,647</u>	<u>14,347</u>	<u>22,279</u>
<b>Net increase/(decrease) in</b>				
<b>cash and cash</b>				
<b>equivalents</b> . . . . .	6,048	24,227	10,377	(15,659)
<b>Cash and cash equivalents</b>				
<b>at the beginning of the</b>				
<b>year/period</b> . . . . .	<u>9,839</u>	<u>15,887</u>	<u>15,887</u>	<u>40,114</u>
<b>Cash and cash equivalents</b>				
<b>at the end of the</b>				
<b>year/period</b> . . . . .	<u>15,887</u>	<u>40,114</u>	<u>26,264</u>	<u>24,455</u>

## SUMMARY

### Key Financial Ratios

The following table sets forth our key financial ratios for the periods/as of the dates indicated:

	For the year ended/As of December 31,		For the nine months ended/As of September 30,
	2022	2023	2024
Gross profit margin <sup>(1)</sup> . . . . .	8.3%	7.9%	8.0%
Net loss margin <sup>(2)</sup> . . . . .	(6.2)%	(2.6)%	(2.5)%
Adjusted net loss margin (non-HKFRS measure) <sup>(3)</sup> . . . . .	(4.9)%	(2.0)%	(1.4)%
Current ratio <sup>(4)</sup> . . . . .	1.28	1.17	1.25
Gearing ratio <sup>(5)</sup> . . . . .	–	–	(0.22)
Revenue growth . . . . .	N/A	63.1%	39.0%

*Notes:*

- (1) Gross profit margin equals gross profit divided by revenue for the respective year/period.
- (2) Net loss margin equals net loss divided by revenue for the respective year/period.
- (3) Net loss margin (non-HKFRS measure) equals net loss (non-HKFRS measure) divided by revenue for the respective year/period.
- (4) Current ratio equals total current assets divided by the total current liabilities as of the respective year end.
- (5) Gearing ratio equals total borrowings divided by the total deficit attributable to owners of the Company as of the respective year end.

### COMPETITIVE LANDSCAPE

We situate in the scenario-based insurance digital risk management solutions market in China. According to CIC, insurance digitalization service providers in the insurance industry of PRC can be divided into three categories: insurance technology providers, internet insurance intermediaries and digital risk management solution providers. The advantage of digital risk management solution providers lies in their focus on providing solutions that enable the entire chain of digitalization from product design to sales, operations and services, supporting digital transformation rather than just giving single-technology or channel support. According to the CIC Report, the scenario-based insurance market in China has experienced constant growth with a market size (in terms of premium income) of RMB51.1 billion in 2019 to RMB79.4 billion in 2023, and will maintain a steady growth trend with an expectation to reach RMB130.1 billion in 2028, representing a CAGR of 10.4% between 2023 and 2028. See “Industry Overview.”

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## SUMMARY

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### FUTURE PLANS AND [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the [REDACTED] stated in this document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] are not exercised. We intend to use the net [REDACTED] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used to invest in research and development of our solutions and services, recruiting and retaining relevant R&D talents and improving basic infrastructure;
- approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used for pursuing acquisition and investment opportunities of target companies in the same industry or upstream and/or downstream ecosystem partners to further accelerate the development of our business and strengthen our competitiveness;
- approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used to expand branches in the PRC and overseas sales network;
- approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used to establish an R&D center and office building with an intelligent exhibition hall in addition to our own funds of approximately HKD[62.7] million; and
- approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used for our general working capital and general corporate purpose to support our day-to-day business operations and growth.

See “Future Plans and [REDACTED].”

### RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in “Risk Factors.” You should carefully read that section in its entirety before you decide to invest in our [REDACTED]. Some of the major risks we face include: (i) we may not be able to consistently provide digital risk management solutions to effectively address our stakeholders’ needs, which could have a material adverse effect on our business, results of operations, financial condition and prospects; (ii) if we fail to maintain stable relationships with our business partners, our business, results of operations, financial condition and prospects could be materially and adversely affected; (iii) our businesses are subject to regulation and administration by the insurance regulatory authorities and other government authorities, and insufficient measures under any applicable regulations and rules by us could result in financial losses or harm to our business; (iv) as the revenue we receive from our risk management financial services is based

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## SUMMARY

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on premium and commission rates set by insurance companies, any decrease in these commission rates, or any increase in the commissions or referral fees we pay, may have an adverse effect on our results of operation; and (v) we are subject to customer concentration risk. Our growth and revenue could be materially and adversely affected if we lose any significant client or business partner, or if any significant client or business partner fails to cooperate with us at anticipated levels. See “Risk Factors.”

### OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Tu, Mr. Zeng, Mr. Su Weida, Mr. Huang Jia'en, Xiamen Zhongjiaxiu, Fujian Helihemei and Baige Tongchuang are collectively interested in approximately 55.58% of our total issued share capital. Therefore, Mr. Tu, Mr. Zeng, Mr. Su Weida, Mr. Huang Jia'en, Xiamen Zhongjiaxiu, Fujian Helihemei and Baige Tongchuang comprise a group of controlling shareholders (as defined in the Listing Rules) of our Company before [REDACTED]. Immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Controlling Shareholders will be interested in and control approximately [REDACTED]% of the total issued share capital of our Company and will remain as a group of controlling shareholders (as defined in the Listing Rules) of our Company. On November 9, 2023, our Controlling Shareholders entered into an acting in concert agreement, pursuant to which the aforementioned parties agreed that, among others, they would vote in agreement in Shareholders' meetings by agreeing to reach a consensus beforehand. For further details, see “Relationship with Our Controlling Shareholders”.

### OUR PRE-[REDACTED] INVESTORS

From June 2018 to January 2025, our Company underwent several rounds of Pre-[REDACTED] investments with our Pre-[REDACTED] Investors, which include Xiamen Huicheng, New Hope, Xiamen Meitong Luqi, Mr. Lin Baojie, Jiaying Mianmiao, Prolight, Fujian Yongchun and Minyin Sci-Tech (as defined in “History, Development and Corporate Structure — Our Group Companies — Our Companies ”). For further details, see “History, Development and Corporate Structure — Pre-[REDACTED] Investments”.

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**SUMMARY**

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**APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE**

We have applied to the Listing Committee for the granting of the [REDACTED] of, and permission to [REDACTED] (i) our H Shares to be issued pursuant to the [REDACTED] (including any H Shares which may be issued pursuant to the exercise of the [REDACTED]) and (ii) the H Shares to be converted from our existing [REDACTED] Shares.

We applied on the basis that, among other things, we satisfy the [REDACTED]/revenue test under Rule 8.05(3) of the Listing Rules.

[REDACTED]

All statistics presented in the table below are based on the assumption that the [REDACTED] is not exercised:

	Based on minimum indicative [REDACTED] of [REDACTED]	Based on maximum indicative [REDACTED] of [REDACTED]
Market capitalization of our H Shares after completion of the [REDACTED] <sup>(1)</sup> . . . . .	HK\$[REDACTED]	HK\$[REDACTED]
Market capitalization of our Shares after the Completion of [REDACTED] <sup>(2)</sup> . . . . .	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted net tangible asset value per Share <sup>(3)</sup> . . . . .	HK\$[REDACTED]	HK\$[REDACTED]

*Notes:*

- (1) The calculation of market capitalization is based on the [REDACTED] H Shares expected to be issued immediately upon completion of the [REDACTED].
- (2) The calculation of market capitalization is based on the [REDACTED] Shares expected to be issued immediately upon completion of the [REDACTED].
- (3) The unaudited [REDACTED] net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that [REDACTED] Shares were in issue assuming that the [REDACTED] have been completed on September 30, 2024 but takes no account of any Shares which may be allotted and issued upon the exercise of the [REDACTED]. For the purpose of this unaudited [REDACTED] adjusted net tangible assets per Share, the amounts stated in Renminbi are converted into Hong Kong dollars at the rate of HK\$1.00 to RMB[0.9434].

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## SUMMARY

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### DIVIDENDS

We do not have any fixed dividend policy nor pre-determined dividend payout ratio. No dividends had been declared during the Track Record Period and up to the Latest Practicable Date. According to our dividend policy, the Articles of Association and applicable laws and regulations, any future plan of declarations and payments of dividends will be formulated by our Directors and determined by our Shareholders, and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors and Shareholders consider relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. According to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

### [REDACTED]

[REDACTED] represent professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED], the total estimated [REDACTED] in connection with the [REDACTED] (including [REDACTED] commission) are estimated to be HK\$[REDACTED] (equivalent to approximately RMB[REDACTED] representing approximately [REDACTED]% of the estimated gross [REDACTED] from the [REDACTED]). The [REDACTED] include (i) [REDACTED] commission of approximately HK\$[REDACTED], and (ii) [REDACTED] related expenses of approximately HK\$[REDACTED], which consist of fees and expenses of the legal advisors and reporting accountants of our Company of approximately HK\$[REDACTED] and other fees and expenses of approximately HK\$[REDACTED].

During the Track Record Period, we incurred [REDACTED] of RMB[REDACTED] of which RMB[REDACTED] was charged to consolidated statements of profit or loss and comprehensive income and the remaining amount of RMB[REDACTED] will be accounted for as a deduction from equity upon successful [REDACTED] under the relevant accounting standards. We expect to further incur [REDACTED] of RMB[REDACTED] by the completion of the [REDACTED], of which an estimated amount of RMB[REDACTED] will be charged to consolidated statements of profit or loss and comprehensive income and RMB[REDACTED] will be accounted for as a deduction from equity upon successful [REDACTED]. The [REDACTED] above are the best estimate as of the Latest Practicable Date and for reference only and the actual amount may differ from this estimate.



## SUMMARY

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### RECENT DEVELOPMENT

Since September 30, 2024 and up to the Latest Practicable Date, we continued to steadily expand our business, and our business operations continued to grow at a steady pace. Based on our unaudited management accounts, our revenue for the three months ended December 31, 2024 and for the one month ended January 31, 2025 increased significantly as compared with the corresponding periods in 2023 and 2024, respectively. Such increase in revenue was primarily attributable to increase in the GWP we facilitated for our risk management financial services.

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since September 30, 2024, being the end date of our latest audited consolidated financial statements, and there has been no event since September 30, 2024 that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.

## DEFINITIONS

*In this document, the following words and expressions shall have the meanings set out below unless the context otherwise requires. Certain other terms are explained in the section headed “Glossary of Technical Terms” in this document.*

“Accountants’ Report”	the accountants’ report of our Company set out in Appendix I to this document
“Acting-in-Concert Agreement”	the acting-in-concert agreement dated November 9, 2023 entered into by and among Mr. Tu, Mr. Zeng, Xiamen Zhongjiaxiu, Mr. Su Weida (蘇偉達), Mr. Huang Jia’en (黃嘉恩), Baige Tongchuang and Fujian Helihomei, a summary of which is set out in the section headed “Relationship with Our Controlling Shareholders” in this document
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED], a summary of which is set out in Appendix V to this document
“Audit Committee”	the audit committee of our Board
“Baige Tongchuang”	Xiamen Baige Tongchuang Equity Investment Partnership (Limited Partnership) (廈門白鴿同創股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on June 21, 2018, one of our Controlling Shareholders
“Baigebao”	Baigebao Insurance Brokers Co., Ltd. (白鴿寶保險經紀有限公司) (formerly known as Yunan Botai Insurance Brokers Co., Ltd. (雲南保泰保險經紀有限公司), a limited liability company established in the PRC on January 14, 2002, being a wholly-owned subsidiary of our Company

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## DEFINITIONS

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“Beijing Gongtong” Beijing Gongtong Digital Chain Technology Co., Ltd. (北京珙桐數鏈科技有限公司), a limited liability company established in the PRC on May 15, 2024, being a wholly-owned subsidiary of our Company

“Board” the board of Directors

“business day(s)” any day(s) (other than Saturday(s), Sunday(s) or public holiday(s) in Hong Kong) on which licensed banks in Hong Kong are generally open for general banking business throughout their normal business hours

[REDACTED]

“CBIRC” China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), the predecessor of NFRA

[REDACTED]

“China” or “PRC” the People’s Republic of China and, except where the context otherwise requires and only for the purpose of this document, references in this document to China or the PRC exclude Hong Kong, the Macao Special Administrative Region and Taiwan Region

“Chinese government” or “PRC government” the central people’s government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them

“CIC” or “China Insights Consultancy” China Insights Industry Consultancy Limited (灼識企業管理諮詢(上海)有限公司), an independent professional market research and consulting company, an Independent Third Party

“CIC Report” the independent industry report commissioned by us and prepared by CIC independently

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## DEFINITIONS

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“CIRC”	China Insurance Regulatory Commission (中國保險監督管理委員會), which was merged with the China Banking Regulatory Commission to form the CBIRC according to the Decision of the First Session of the Thirteenth National People’s Congress on the State Council Institutional Reform Plan (《第十三屆全國人民代表大會第一次會議關於國務院機構改革方案的決定》) issued by the National People’s Congress on March 17, 2018
“Companies (WUMP) Ordinance” or “Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented and otherwise modified from time to time
“Company” or “our Company”	Baige Online Digital Technology Co., Ltd. (白鴿在線(廈門)數字科技股份有限公司), a limited liability company established in the PRC on April 17, 2015 and subsequently converted into a joint stock company with limited liability on October 14, 2024, whose predecessor was known as Baige Online (Xiamen) Network Technology Co., Ltd. (白鴿在線(廈門)網絡科技有限公司) (formerly known as Gongzhong Toubao (Xiamen) Network Technology Co., Ltd. (公眾投保(廈門)網絡科技有限公司))
“Compliance Advisor”	CMBC International Capital Limited
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Mr. Tu, Mr. Zeng, Mr. Su Weida (蘇偉達), Mr. Huang Jia’en (黃嘉恩), Xiamen Zhongjiaxiu, Fujian Helihemei and Baige Tongchuang

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## DEFINITIONS

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“Conversion of [REDACTED] Shares into H Shares”	the conversion of [REDACTED] Shares (immediately following the Share Subdivision) in aggregate held by [11] existing Shareholders into H Shares upon the completion of the [REDACTED]. Such conversion of [REDACTED] Shares into H Shares has been filed with the CSRC on [●], 2025 and an application for H Shares to be [REDACTED] on the Stock Exchange has been made to the Listing Committee
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited
“CSDC (Hong Kong)”	China Securities Depository and Clearing (Hong Kong) Company Limited
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
	[REDACTED]
“Director(s)”	the director(s) of our Company
“EIT”	the PRC enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Equity Incentive Scheme”	the equity incentive scheme of our Company which was adopted in 2020, a summary of the principal terms of which is set forth in the paragraph headed “Appendix VI — Statutory and General Information — Further Information About Our Directors, Supervisors, Senior Management and Substantial Shareholders — 5. Equity Incentive Scheme” in this document

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## DEFINITIONS

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“Extreme Conditions” the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[REDACTED]

“Fujian Helihemei” Fujian Helihemei Technology Co., Ltd. (福建合力合美科技有限公司), a company established in the PRC with limited liability on April 8, 2015, which is owned as to approximately 58.90% by Mr. Tu, 20.55% by Mr. Zeng and 20.55% by Xiamen Zhongjiaxiu, and is one of our Controlling Shareholders

“Fujian Shuchao Yongdong” Fujian Shuchao Yongdong Digital Technology Co., Ltd. (福建數潮湧動數字科技有限公司), a limited liability company established in the PRC on December 8, 2022, being a wholly-owned subsidiary of our Company

[REDACTED]

“Group”, “our Group”, “we”, “us”, or “our” our Company and our subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it

“Guide” the Guide for New Listing Applicants published by the Stock Exchange

[REDACTED]

## DEFINITIONS

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[REDACTED]

“HK\$” or “Hong Kong dollars” or “HK dollars” Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

“HKFRS” Hong Kong Financial Reporting Standards which include standards and interpretations as issued by the Hong Kong Institute of Certified Public Accountants

[REDACTED]

“Hong Kong” or “HK” the Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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[REDACTED]

“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, as far as our Directors are aware after having made all reasonable enquiries, is/are not a connected person of our Company
“Insurance Association”	The Insurance Association of China (中國保險行業協會)
“Insurance Intermediary Licence”	Insurance Intermediary Licence (保險中介許可證), formerly known as Licence for Operating Insurance Brokerage Business (經營保險經紀業務許可證)
“Insurance Law”	the PRC Insurance Law (《中華人民共和國保險法》), as amended, supplemented or otherwise modified from time to time

[REDACTED]



## DEFINITIONS

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[REDACTED]

“Joint Sponsors” CMBC International Capital Limited and BOCI Asia Limited

“Latest Practicable Date” February 19, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

“Listing Committee” the Listing Committee of the Stock Exchange

[REDACTED]

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange

[REDACTED]

“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Tu”	Mr. Tu Jinbo (涂錦波), our executive Director, chairman of the Board, chief executive officer and one of our Controlling Shareholders
“Mr. Zeng”	Mr. Zeng Jianhua (曾建華), our non-executive Director and one of our Controlling Shareholders
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NFRA”	National Financial Regulatory Administration (國家金融監督管理總局)
“Nomination Committee”	the nomination committee of our Board
“NPC” or “National People’s Congress”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
“NPC Standing Committee”	the Standing Committee of the National People’s Congress (全國人民代表大會常務委員會)

## DEFINITIONS

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[REDACTED]

“Overseas Listing Trial Measures”

the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》)

“PBOC”

the People’s Bank of China (中國人民銀行), the central bank of the PRC

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## DEFINITIONS

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“PRC Company Law” or “Company Law”	the Company Law of the PRC 《中華人民共和國公司法》, as enacted by the Standing Committee of the Eighth National People’s Congress on December 29, 1993 and effective on July 1, 1994, as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	PRC Generally Accepted Accounting Principles
“PRC Legal Advisor”	Zhong Lun Law Firm, the legal advisor to our Company as to PRC Laws in connection with the [REDACTED]
“Pre-[REDACTED] Investments”	the investments in our Company undertaken by the Pre-[REDACTED] Investors pursuant to the relevant investment agreements and/or capital increase agreements, details of which are set out in the section headed “History, Development and Corporate Structure” in this document
“Pre-[REDACTED] Investors”	the investors who acquired interest in our Company pursuant to the relevant investment agreements and/or capital increase agreements, details of which are set out in the section headed “History, Development and Corporate Structure” in this document

[REDACTED]

“document”	this document being issued in connection with the [REDACTED]
“province”	All provincial-level administrative regions of the PRC, including provinces, autonomous regions, municipalities directly under the Central Government and special administrative regions of the PRC

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## DEFINITIONS

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[REDACTED]

“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of our Board
“Reporting Accountants”	RSM Hong Kong
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and modified from time to time
“Shanghai Weizhijin”	Shanghai Weizhijin Network Technology Co., Ltd. (上海偉之錦網絡技術有限公司), a limited liability company established in the PRC on October 31, 2018, being a wholly-owned subsidiary of our Company
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB[0.25] each upon the completion of the Share Subdivision, comprising [REDACTED] Share(s) and H Share(s); before the completion of the Share Subdivision, ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each
“Share Subdivision”	the Share Subdivision immediately prior to the [REDACTED], pursuant to which each of our Share with par value of RMB1.00 will be subdivided into [four] Shares with par value of RMB[0.25] each
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square meter(s)

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## DEFINITIONS

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“STA” the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)

[REDACTED]

“State Council” the State Council of the PRC (中華人民共和國國務院)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“subsidiary(ies)” has the meaning ascribed to it under the Listing Rules

“Supervisor(s)” member(s) of our Supervisory Committee

“Supervisory Committee” the supervisory committee of our Company

“Takeovers Code” The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

“Track Record Period” the period comprising the financial years ended December 31, 2022 and 2023 and nine months ended September 30, 2024

“UI design” user interface design

[REDACTED]

“United States” or “U.S.” the United States of America, its territories, its possessions and all areas subject to its jurisdiction

[REDACTED]

“U.S. Securities Act” the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

“VAT” value-added tax

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## DEFINITIONS

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[REDACTED]

“Xiamen Bafang Tongchuang”	Xiamen Bafang Tongchuang Network Technology Co., Ltd. (廈門八方同創網絡科技有限公司), a limited liability company established in the PRC on January 7, 2019, being a wholly-owned subsidiary of our Company
“Xiamen Baigebao”	Xiamen Baigebao Network Technology Co., Ltd. (廈門白鴿保網絡科技有限公司), a limited liability company established in the PRC on March 14, 2017, being a subsidiary of our Company
“Xiamen Shashidi”	Xiamen Shashidi Information Technology Co., Ltd. (廈門沙師弟信息技術有限公司), a limited liability company established in the PRC on October 14, 2022, being a subsidiary of our Company
“Xiamen Shuge”	Xiamen Shuge Big Data Technology Co., Ltd. (廈門數鴿大數據科技有限公司), a limited liability company established in the PRC on November 4, 2022, being a wholly-owned subsidiary of our Company
“Xiamen Zhongjiaxiu”	Xiamen Zhongjiaxiu Investment Partnership (Limited Partnership) (廈門眾嘉秀投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 30, 2023, is owned as to 80% by Mr. Su Weida (蘇偉達) as the general partner and executive partner, 20% by Mr. Huang Jia'en (黃嘉恩) as the limited partner, also one of our Controlling Shareholders
“Yujin Tongxing”	Xiamen Yujin Tongxing Investment Partnership (Limited Partnership) (廈門與錦同行投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 19, 2024, an equity incentive platform of our Company

## DEFINITIONS

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“Yunchuang Shuke”	Yunchuang Shuke (Xiamen) Information Technology Co., Ltd. (雲創數科(廈門)信息技術有限公司), a limited liability company established in the PRC on November 3, 2022, being a wholly-owned subsidiary of our Company
“%”	per cent



## DEFINITIONS

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*Unless otherwise expressly stated or the content otherwise requires, in this document:*

- *all times refer to Hong Kong time and references to years in this document are to calendar years;*
- *the terms “associate(s)”, “close associate(s)”, “connected person(s)”, “core connected person(s)”, “connected transaction(s)”, “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings ascribed to such terms in the Listing Rules; and*
- *certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of figures preceding them.*

*The English names of the PRC entities, laws, rules, regulations, nationals, entities, governmental authorities, institutions, facilities, certificates and titles etc. mentioned in this document, are translations from their Chinese names and are for identification purpose only. If there is any inconsistency between the Chinese names and their English translations, the Chinese names shall prevail.*

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## GLOSSARY OF TECHNICAL TERMS

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*This glossary contains explanations of certain terms, definitions and abbreviations used in this document in connection with our Group and our business. The terms and their meanings may not correspond to standard industry meaning or usage of those terms.*

“AI”	artificial intelligence, intelligence exhibited by machines in the area of computer science that emphasizes that creation of intelligent machines that work and react like human or other natural intelligence
“AML”	anti-money laundering
“APP”	a computer program designed to run on a mobile device
“application programming interface” or “API”	a set of clearly defined methods of communication between various software component
“CAGR”	compounded annual growth rate
“cloud-based”	applications, services or resources made available to users on demand via the Internet from a cloud computing provider’s servers with access to shared pools of configurable resources
“commission”	a fee paid to an agent or broker by an insurance company for services rendered in connection with the sale or maintenance of an insurance product
“ecosystem participants”	refer to all participants in our business network, including but not limited to, insurance companies, scenario-based partners, policyholders and end insureds
“GDP”	gross domestic product
“GWP” or “gross written premiums”	total premiums (whether or not earned) for insurance contracts written or assumed during a specific period, without deduction for premiums ceded
“HR”	human resources
“in-house insurance consultants”	our employees who are registered with the NFRA and permitted to engage in the sale of insurance products we select

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## GLOSSARY OF TECHNICAL TERMS

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“insured”	individuals or companies that are insured under insurance policies
“insurTech”	insurance technology
“IP”	intellectual property
“IT”	information technology
“MaaS”	Model-as-a-Service, a type of cloud- and model-based services that offers access to machine learning models which can be used to develop AI applications and services
“O2O”	online to offline
“OCR”	the electronic or mechanical conversion of images of typed, handwritten or printed text into machine-encoded text
“policyholder(s)”	purchaser(s) and owner(s) of insurance policies
“premium”	payment and consideration received on insurance policies issued or reissued by an insurance company
“R&D”	research development
“SaaS”	software as a service, standardized software hosted by a central provider and offered to customers through public cloud service, which is delivered via the internet and shared across organizations
“software”	any set of machine-readable instructions that directs a computer’s processor to perform specific operations
“TPA services”	third party administration services
“underwriting”	the process of examining, accepting or rejecting insurance risks, and classifying those accepted, in order to charge an appropriate premium for each accepted risk
“WeChat Official Account”	an open service platform operating on WeChat mainly used by enterprises, governments, media, other organizations or individuals to provide services

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## FORWARD-LOOKING STATEMENTS

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This document contains certain statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believe(s)”, “aim(s)”, “estimate(s)”, “plan(s)”, “project(s)”, “anticipate(s)”, “expect(s)”, “going forward”, “intend(s)”, “may”, “might”, “seek(s)”, “can”, “could”, “ought to”, “potential”, “will” or “should” or similar expressions, or, in each case, their negative or other variations, or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. In particular, references to “estimate(s)” only refer to situations where best estimates have been adopted by the management. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding our intentions, beliefs or current expectations concerning, among other things, our business, results of operations, financial position, liquidity, prospects, growth, strategies and the industries and markets in which we operate or may operate in the future.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance or the actual results of our operations, financial position and liquidity. The development of the markets and the industries in which we operate may differ materially from the description or implication suggested by the forward-looking statements contained in this document. In addition, even if our results of operations, financial position and liquidity as well as the development of the markets and the industries in which we operate are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation:

- our operations and business prospects;
- our ability to maintain and enhance our market position;
- the effects of competition in the industries or markets we operate and its potential impact on our business;
- developments in, or changes to, laws, regulations, governmental policies, taxation or accounting standards or practices affecting our operations, especially those related to the operation of our business;
- global general political and economic conditions;
- our ability to successfully implement any of our business strategies, plans, objectives and goals;
- our ability to expand and manage our business operations;

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## FORWARD-LOOKING STATEMENTS

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- our ability to obtain or extend the terms of the licenses and leases necessary for the operation of our business;
- changes to our expansion plans and estimated capital expenditures;
- our dividend policy;
- adverse changes or developments in the industries in which we operate;
- fluctuations in inflation, interest rates and exchange rates;
- changes in the availability of, or new requirements, for financing; and
- our success in accurately identifying future risks to our business and managing the risks of the aforementioned factors.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statement in this document reflect our management's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions. Investors should specifically consider the factors identified in this document, which could cause actual results to differ, before making any investment decision. Subject to the requirements of the Listing Rules and except as may be required by applicable law, we undertake no obligation to revise any forward-looking statements that appear in this document to reflect any change in our expectations, or any events or circumstances, that may occur or arise after the date of this document. All forward-looking statements in this document are qualified by reference to this cautionary statement.

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## RISK FACTORS

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*You should consider carefully all the information set out in this document, including the risks and uncertainties described below, before making an investment in the H Shares. Our business, results of operations, financial condition and prospects could be materially and adversely affected by any of these risks. The risk factors relating to our business, industry and the PRC may not typically be associated with investing in equity securities of similar companies from other jurisdictions. The trading price of the H Shares could decrease due to any of these risks, and you may lose all or part of your investment.*

### **RISKS RELATING TO OUR BUSINESS AND INDUSTRY**

**We may not be able to consistently provide digital risk management solutions to effectively address our stakeholders’ needs, which could have a material adverse effect on our business, results of operations, financial condition and prospects.**

Our growth of business depends on our capability to consistently provide digital risk management solutions that can effectively address the needs of our scenario-based partners in different ecosystems and provide them with customized insurance products or solutions for their customers. We strive to provide specialized solutions that cover the entire processes of intelligent insurance application, policy management, claims processing, customer service, data analysis and financial management. To continue to expand our business scope, we strive to strengthen our collaborations and partnerships with more scenario-based partners and insurance company partners while also exploring opportunities in new ecosystems. However, our strategic plans involve risks and challenges. If we fail to identify and respond to the changing and emerging needs and preferences of our business partners, or continuously provide them with new and favorable products and solutions that add value, we may fail to maintain the existing business relationships or attract new collaborations. If other players in the industry expand into the market segment that we operate in, our market share may diminish. As a result, our business, results of operations and financial condition may be materially and adversely affected.

**If we fail to maintain stable relationships with our business partners, our business, results of operations, financial condition and prospects could be materially and adversely affected.**

We cooperate with a variety of partners in conducting our business, including insurance company partners and scenario-based partners in our business network. Our success depends on our ability to, among other things, develop and maintain relationships with our existing business partners and attract new business partners.

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## RISK FACTORS

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### *Failure to maintain stable relationships with channel partners*

During the Track Record Period, our commission income generated through channel partners amounted to approximately 99.9% of our total commission income. As such, we rely heavily on our channel partners to accelerate our market penetration and broaden the end consumer base. Failure to establish and maintain stable relationships with our channel partners may materially and adversely affect our exposure to business opportunities, which in turn could adversely affect our results of operations and prospects.

Our agreements with our channel partners generally have a term of one year. They may choose to cooperate with our competitors or develop competing services themselves after the agreement expires. In any event, we cannot assure you that we will be able to continuously maintain a mutually beneficial relationship with our channel partners or continue to cooperate with them on terms favorable to us, or at all. If any of the foregoing occurs, our business, results of operations and financial condition will be adversely affected.

### *Failure to maintain stable relationships with insurance company partners*

We generally provide risk management financial services, intelligent marketing and digitalization solutions and TPA services to insurance companies. For more details, please refer to the section headed “Business — Services and Solutions We Provide” in this document. Our relationships with these insurance company partners are governed by agreements between the insurance company partners and us. These agreements generally provide, among other things, the scope of our services and our commission rates, and typically have a term of one year and may be terminated with prior written notice. Our insurance company partners may terminate the agreement with cause, including but not limited to our breach of laws and regulations, unauthorized changes of insurance term and forgery of documents and information. There is no assurance that we would be able to renew any such agreements upon their expiry with terms that are comparable to or better than the existing ones, if at all. In addition, there is growing trend that major insurance companies are expanding their own channels and strengthening their in-house capabilities to distribute their insurance products. Any interruption to or discontinuation of our relationships with insurance companies may severely and negatively impact our results of operations.

In addition, recognition by insurance companies and end consumers is critical for us to remain competitive. Our ability to maintain and enhance their recognition and our reputation depends primarily on the quality of services we offer to them. If we are unable to maintain and further enhance their recognition and our reputation, we may not be able to maintain or continue to expand the end consumer base, and our results of operations may be materially and adversely affected. Furthermore, any negative or malicious publicity relating to our Group and services could harm our reputation and in turn materially and adversely affect our business and results of operations.

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## RISK FACTORS

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**Our businesses are subject to regulation and administration by the insurance regulatory authorities and other government authorities, and insufficient measures under any applicable regulations and rules by us could result in financial losses or harm to our business.**

We are subject to various regulations and rules, including the PRC Insurance Law (《中華人民共和國保險法》), Provisions on the Regulation of Insurance Brokers (《保險經紀人監管規定》) and related rules and regulations, as well as any new rules and regulations that may be introduced from time to time. Our digital risk management solutions, which involves distribution of customized insurance products, is heavily regulated by insurance regulatory authorities. These authorities have discretion to interpret and enforce these laws, regulations, and rules, and have the power to take regulatory actions against us. The terms and premium rates of the insurance products we offer, the commission rates we earn, and our operation of insurance-related business are all subject to regulations. For example, the Administrative Measures of the Insurance Terms and Premium Rates of Personal Insurance Companies (《人身保險公司保險條款和保險費率管理辦法》) issued by the CIRC on October 19, 2015, and the Administrative Measures of the Insurance Terms and Premium Rates of Property Insurance Companies (《財產保險公司保險條款和保險費率管理辦法》) issued by the CBIRC on August 16, 2021, stipulate the legal requirements for the terms and premium rates of the insurance products. In addition, Provisions on the Regulation of Insurance Brokers also specify the requirements for the insurance brokerage on the way they open the bank accounts and collect the commissions. Developments in these regulations and any changes may materially impact our profitability on the products we distribute.

In addition, regulatory authorities continuously tighten the rules surrounding the sale, disclosure, and digital operations of insurance intermediaries through various laws and regulations, such as (i) the Administrative Measures for Insurance Sales Practices (《保險銷售行為管理辦法》) effective on March 1, 2024; (ii) the Administrative Measures for the Disclosure of Information on Personal Insurance Products (《人身保險產品信息披露管理辦法》) effective June 30, 2023; (iii) the Regulatory Measures for the Informatization Work of Insurance Intermediaries (《保險中介機構信息化工作監管辦法》) effective on February 1, 2021; (iv) the Provisional Measures for Retrospective Administration of Insurance Sales Practices (《保險銷售行為可回溯管理暫行辦法》) effective on November 1, 2017; and (v) the Notice on Commencement of Specific Rectification of Market Chaos in the Internet Insurance Industry (《關於開展互聯網保險亂象專項整治工作的通知》) released in August 2021.

Furthermore, laws, rules and regulations applicable to insurance companies, which may be amended from time to time, may also indirectly affect us. For example, the Notice on Matters Related to Regulating Bancassurance Channels of Life Insurance Companies (《關於規範人身保險公司銀行代理渠道業務有關事項的通知》) promulgated by the General Office of the NFRA in January 2024 provides that insurance companies should strictly adhere to the insurance terms and premium rates filed, known as the “unified reporting and underwriting” policy, which currently applies only to bancassurance channels. In event a similar notice may be issued with respect to insurance intermediaries in the future, our business may be partially affected. We cannot assure you that future legislative or regulatory evolvments would not



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have a material effect on our business, results of operations and financial condition. And failure to comply with any of the laws, rules and regulations to which we are subject could result in fines and restrictions on business expansion, which could materially affect our business, results of operations, financial condition and prospects.

**As the revenue we receive from our risk management financial services is based on premium and commission rates set by insurance companies, any decrease in these commission rates, or any increase in the commissions or referral fees we pay, may have an adverse effect on our results of operations.**

We derive revenue primarily from our risk management financial services, from which we receive commissions from insurance companies for assisting them in achieving successful delivery of insurance products underwritten by them. These commissions are typically calculated as a percentage of the insurance premiums from policies sold through our scenario-based partners’ platforms. As a result, our revenue and operating performance are directly influenced by the size of insurance premiums and the commission rates applied to such policies. Our revenue generated from our risk management financial services during the Track Record Period was RMB311.4 million, RMB535.9 million and RMB574.2 million, representing 77.0%, 81.2% and 91.0% of our total revenue for the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, respectively.

The levels of insurance premiums and commission rates can fluctuate due to various economic, regulatory, tax-related, and competitive factors affecting both insurance companies and consumers. These factors, many beyond our control, include insurance companies’ profit expectations, anticipated claim ratios, client demand for insurance products, the availability and pricing of comparable offerings from other insurers, industry association guidelines, regulatory frameworks, government policies, and other relevant considerations impacting insurance companies at any given time.

In addition, we have involved individual insurance brokers to promote and distribute insurance products authorized by insurance companies, and we collaborate with channel partners to broaden our access to a large client base. We pay commission fees to individual insurance brokers and referral and service fees to channel partners for successful purchase of insurance products by end insureds. These commission fees and referral fee rates are subject to our discretion and may be adjusted according to the competitive landscape and market conditions in different regions. Any upward adjustment in these rates could potentially compress our profit margins.

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As we do not set or control the timing or extent of changes in premiums or commission rates, we are unable to forecast the precise impact such changes may have on our business. A reduction in the commission rates determined by insurance companies or an increase in the commissions and referral fees we pay to individual insurance brokers and scenario-based partners could significantly affect our profitability. Furthermore, a sudden decline in revenue due to reduced premiums or lower commission rates could disrupt our capital expenditure plans and other operational initiatives, negatively impacting our business, results of operations and financial condition.

**We are subject to customer concentration risk. Our growth and revenue could be materially and adversely affected if we lose any significant client or business partner, or if any significant client or business partner fails to cooperate with us at anticipated levels.**

We are subject to customer concentration risk. We depend on a limited number of clients or business partners to generate a substantial portion of our revenue. For the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, the aggregate revenue generated from our top five customers accounted for approximately 55.3%, 69.0% and 79.2% of our total revenue, respectively. For the same periods, revenue generated from our largest customer accounted for 25.3%, 20.0% and 43.6% of our total revenue, respectively. For more details, please refer to the section headed “Business — Our Customers” in this document.

There are a number of factors, other than our performance, which could cause the loss of, or decrease in the volume of business from, a client or business partner. We cannot assure you that we will continue to maintain business cooperation with these parties at the same level, or at all. We may also not be able to diversify the composition of our client base or to broaden our exposure to more new clients or business partners or to enter into transactions with our clients or business partners in size comparable to those of our top five customers during the Track Record Period. The loss of business from any of these significant customers, or any downward adjustment of the commission rates paid to us, or the number of products or solutions offered by us, could materially adversely affect our revenue and profit. Furthermore, if any significant client or business partner terminates its relationship with us, we cannot assure you that we will be able to secure an alternative arrangement with comparable enterprises in a timely manner, or at all which, in turn, may negatively affect our results of operations.

**Any breaches to our security measures, including unauthorized access to our systems, computer viruses and cyberattacks, may adversely affect our database, reduce the use of our services and damage our reputation and brand names.**

We have implemented various security measures, but such measures may not be sufficient to detect, prevent or control all attempts to compromise our systems. Our security measures to protect systems and database could be breached or compromised as a result of third-party action, employee error, malfeasance or otherwise, during processing of data or at any time. Such attempts may result in significant damage to our hardware and software systems and database, persons obtaining unauthorized access to our systems and data, misappropriation of information or data, deletion or modification of user information, a denial-of-service or other

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interruption to our business operations. As the methods employed by malicious actors evolve rapidly and are often not identified until after an attack has occurred, we cannot assure you that we will be able to anticipate or implement adequate measures to protect against these attacks. If we are unable to avert these attacks and security breaches, we could be subject to significant legal and financial liabilities, and the use of our services may decrease and adversely affect our business, results of operations and financial condition.

**We process a certain quantity of personal information, and failure to protect private or sensitive information of customers or improper handling of such information could subject us to regulatory actions and other legal liabilities, which could materially and negatively impact our business and reputation and deter our clients, business partners or end consumers from using our platforms.**

We are subject to a number of PRC laws and regulations relating to data security and privacy, including restrictions on the collection, usage and storage, sharing, transfer and disclosure of personal information and requirements to take steps to prevent personal data from being divulged, stolen or tampered with. The interpretation and application of laws, regulations and standards relating to data security and privacy are still evolving, and these regulations are also affected by different interpretations or significant evolution. For example, on June 10, 2021, the Standing Committee of the National People’s Congress (the “SCNPC”) promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), which took effect on September 1, 2021. The PRC Data Security Law stipulates data security obligations on entities and individuals carrying out data processing activities, introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, and the degree of harm it will cause to national security, public interests or legitimate rights and interests of individuals or organizations when such data are tampered with, destroyed, leaked, or illegally acquired or used, and provides for a national security review procedure for those data processing activities which may affect national security as well as regulates the export of certain data and information. On August 20, 2021, the SCNPC issued the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), coming into effect on November 1, 2021, which reiterates the circumstances under which a personal information processor could process personal information and the requirements thereunder. The PRC Personal Information Protection Law clarifies the scope of application, the definition of personal information and sensitive personal information, the legal basis of personal information processing and the basic requirements of notice.

On December 28, 2021, the CAC and 12 other relevant PRC government authorities published the amended Cybersecurity Review Measures (《網絡安全審查辦法》), which became effective on February 15, 2022, and superseded and replaced the Cybersecurity Review Measures previously promulgated on April 13, 2020. The Cybersecurity Review Measures provide that cybersecurity review shall be conducted with respect to (i) critical information infrastructure operators purchasing network products and services in a manner which affects or may affect national security; (ii) internet platform operators carrying out data processing activities in a manner which affects or may affect national security; and (iii) network platform operators that has the personal information of more than one million users seek to list outside China. However, the Cybersecurity Review Measures do not provide the explicit standard of

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“affect or may affect national security.” Therefore, there can be no assurance if we are required to follow the cybersecurity review procedures, and if so, whether we would be able to complete the applicable cybersecurity review procedures in a timely manner. There can be no assurance that we will not be required to follow the cybersecurity review procedures, and if so, whether we would be able to complete the applicable cybersecurity review procedures in a timely manner, or at all. Failure to comply with the cybersecurity requirements in a timely manner, or at all, may result in reputational damages and subject us to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, and revocation of relevant business permits or licenses, among other sanctions, which could materially and adversely affect our business and results of operations. These and other similar legal and regulatory developments could lead to legal and economic uncertainties, affect how we design our software, how we operate our business, as well as how we process data, which could negatively impact demand for our software.

As the regulatory requirements on privacy and data protection are relatively new and complex, and may therefore continue to evolve, we cannot assure you that our privacy and data protection measures are, and will be, always considered sufficient under applicable laws and regulations. Additionally, the effectiveness of our privacy and data protection measures is also subject to system failures, interruptions, inadequacy, security breaches or cyberattacks. Any failure or perceived failure by us to comply with applicable laws and regulations on privacy and data protection may result in governmental investigations, inquiries, enforcement actions and prosecutions, private claims and litigation, fines and penalties, adverse publicity or potential loss of business, which could damage our reputation, deter current and potential customers or end users from using our software and subject us to significant legal, financial and operational consequences.

**The sophisticated technologies we use for the operation of our business require continuous developments and upgrades. We cannot assure you that these technologies will fully support our business.**

As a prominent digital risk management solutions provider with technological capabilities, we have successfully introduced digitalization solutions that cover the main processes of insurance business. We have invested substantial resources in developing our proprietary technology platforms that we use for our day-to-day operations. We expect these sophisticated technologies to support seamless transaction process, such as intelligent insurance application, policy management, claims processing, customer service, data analysis and financial management. For more details, please refer to the section headed “Business — Our Technologies and Research and Development — Technologies” in this document. To adapt to evolving needs of different scenario-based partners, requirements of insurance company partners and emerging industry trends, we may need to develop other new technologies or upgrade existing platforms and systems. If our efforts to invest in the development of new technologies or the upgrade of existing technologies are unsuccessful, our business, financial condition and results of operations may be materially and adversely affected.

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Our ability to provide products and services and to conduct day-to-day business operations depend, in part, on our ability to maintain and make timely and cost-effective enhancement and upgrade to our technologies and introduce innovative functions which can meet changing business and operational needs. Failure to do so could put us at a disadvantage to our competitors and cause economic losses. We can provide no assurance that we will be able to keep up with technological improvements or that the technologies developed by others will not render our services less competitive or attractive.

**To support our business growth, we continue to invest heavily in our research and development efforts, the expenses of which may negatively impact our profitability and cash flow, and may not generate the results we expect to achieve.**

Our technological capabilities are critical to our success, and we have been continuously investing heavily in our research and development efforts. Our research and development expenses incurred were approximately RMB14.1 million, RMB15.7 million and RMB16.5 million, respectively, for the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, accounting for approximately 3.5%, 2.4% and 2.6% of our revenue during the same periods, respectively. The industry in which we operate is subject to rapid technological changes and is evolving quickly in terms of technological innovation. We need to invest significant resources, including financial and human resources, in research and development in order to make our solutions and services innovative and competitive and keep abreast with the development of the industry. As a result, we expect that our research and development expenses may continue to increase.

Furthermore, development activities are inherently uncertain, and we might encounter practical difficulties in commercializing our development results. Our expenditures on research and development may not generate corresponding benefits. Given the fast pace with which the technology has been and will continue to be developed, we may not be able to timely upgrade our technologies in an efficient and cost-effective manner, or at all. New technologies in our industry could render our platforms and systems that we are developing or expect to develop in the future obsolete, not commercially viable or unattractive, thereby limiting our ability to recover related development costs, which could result in a decline in our revenue, profitability and market share.

**We had incurred loss from continuing operations and negative operating cash flow during the Track Record Period and there can be no assurance that we will not have loss from continuing operations and negative operating cash flow in the future.**

We recorded loss before taxation from continuing operations of RMB25.3 million, RMB17.3 million and RMB15.9 million for the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, respectively.

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Further, we recorded net operating cash outflow of RMB9.3 million and RMB13.3 million for the year ended December 31, 2022 and nine months ended September 30, 2024, respectively. For details, please refer to the paragraph headed “Financial Information — Liquidity and Capital Resources — Net cash (used in)/generated from operating activities” in this document.

We cannot assure you that we will be able to generate profits or positive cash flow from our operations in the future. If we encounter long-term and continuous operating loss or net operating cash outflow in the future, we may not have sufficient working capital to cover our operations, and our business, results of operations, financial conditions and business prospects may be materially and adversely affected.

**We recorded net liabilities during the Track Record Period, which we may continue to experience in the future.**

We had net liabilities of RMB1.9 million, RMB8.7 million and RMB22.4 million as of December 31, 2022, 2023 and September 30, 2024, respectively. Our net liabilities during the Track Record Period were primarily attributable to the puttable shares liabilities, representing the contingently redeemable preferred shares amounting to RMB51.7 million, RMB53.0 million and RMB74.2 million as of December 31, 2022, 2023 and September 30, 2024, respectively. Our puttable shares liabilities will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares and our position of net liabilities would turn into net assets upon the [REDACTED]. However, we cannot assure you that we would not incur net liabilities position in the future which can expose us to the risk of shortfalls in liquidity. This in turn would require us to undertake additional equity financing, which could result in dilution of your equity interests. Any difficulty or failure to meet our liquidity needs as and when needed could materially and adversely affect our results of operations, financial conditions and business prospects.

**If we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.**

Our business has experienced significant growth since our establishment, and we anticipate continued expansion in both scale and operations. As we work to grow and broaden our customer base, we aim to establish a presence in new geographic markets, offer a diverse range of digital risk management solutions, and provide various supporting services. We also plan to collaborate with a wider range of business partners, including insurance companies, individual insurance brokers and scenario-based partners, to meet the changing needs of the market. However, we may have limited or no prior experience with some of these new solutions and services, and there is no guarantee that they will gain wide acceptance among our customers or end consumers. These new offerings could introduce complex technological and operational challenges, and we may face claims if end consumers, particularly end consumers, are not satisfied with their experiences.

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To effectively manage our expected business growth and operational scale, we must continue enhancing our transaction processing, technological, operational, and financial systems, as well as our policies, procedures and controls. These efforts carry inherent risks and will demand substantial management, financial, and human resources. We cannot assure you that we will successfully manage our growth or implement our strategies as planned. Failure to do so could have a material and adverse impact on our business, financial condition and prospects.

**Misconduct of individual insurance brokers to promote and distribute insurance products is difficult to detect and deter and could harm our reputation or lead to regulatory sanctions or litigation costs.**

We engage individual insurance brokers to promote and distribute insurance products authorized by insurance companies to expand our reach to large population of end insureds. The activities and regulatory compliance of these insurance brokers associated with our risk management financial services are subject to the terms of the agreements we entered into with them and subject to applicable PRC laws. Misconduct of any of them could result in violation of law by us, regulatory sanctions, litigation or serious reputational or financial harm. Misconduct could include:

- making misrepresentation when marketing or selling insurance to end consumers;
- hindering insurance applicants from making full and accurate mandatory disclosures or inducing applicants to make misrepresentations;
- hiding or falsifying material information in relation to insurance contracts;
- fabricating or altering insurance contracts without authorization from relevant parties;
- selling false policies, or providing false documents on behalf of the applicants;
- falsifying insurance brokerage business or fraudulently returning insurance policies to obtain commissions;
- colluding with applicants, insured persons, or beneficiaries to obtain insurance benefits;
- misappropriating, withholding or occupying insurance premiums or insurance benefits;
- disclosing trade secrets of the insurer, the applicant or the insured known in the business activities;
- engaging in false or falsified claims; or
- otherwise not complying with laws and regulations or our control policies, procedures, and undertakings.

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We cannot assure you that misconduct by any of the insurance brokers we engaged may not occur, whether unintentional or otherwise, which may negatively impact our business, results of operations or financial condition. In addition, the general increase in misconduct in the industry could potentially harm the reputation of the industry and have an adverse impact on our business.

**We may be subject to intellectual property infringement claims or other allegations by third parties, which may materially and adversely affect our business, results of operations and prospects.**

We believe that our brand name, copyrights, trademarks and other intellectual property are essential to our success. We have devoted considerable time and energy to develop and improve our brand name, websites, mobile apps and our online platforms. However, we cannot be certain that our operations do not or will not infringe upon or otherwise violate intellectual property rights or other rights held by third parties. We may be from time to time in the future subject to legal proceedings and claims relating to the intellectual property rights or other rights of third parties.

In addition, there may be situations where third-party intellectual property rights or other rights are unknowingly infringed by products underwritten by insurance companies, our services or other aspects of our business. To the extent that our employees or individual insurance brokers use intellectual property owned by others in their work for us, disputes may arise as to the rights in related know-how and inventions or other proprietary assets. If any third-party infringement claims are brought against us, we may be forced to divert management's time and other resources from our business and operations to address these claims, regardless of their merits.

The application and interpretation of relevant intellectual property laws and the procedures and standards for granting trademarks, copyrights, proprietary technology or other intellectual property rights are still evolving, and we cannot assure you that relevant courts or regulatory authorities would agree with our analysis all the time. If we were found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property or relevant contents, and we may incur licensing or usage fees or be forced to develop alternatives of our own. As a result, our business, results of operations and prospects may be materially and adversely affected.



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**We may not be able to prevent others from making unauthorized use of our intellectual property, which could have a material adverse effect on our business, results of operations, financial condition and prospects.**

We regard our software registration, trademarks, copyrights, domain names, know-how, proprietary technologies and similar intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality and non-compete arrangements with our key employees and others to protect our intellectual property rights. For more details, please refer to the section headed “Business — Our Technologies and Research and Development” in this document. Despite these measures, our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages. In addition, there can be no assurance that (i) our trademarks and other intellectual property registration applications will be approved; (ii) any intellectual property rights will be adequately protected; or (iii) such intellectual property rights will not be challenged by third parties or found by a judicial authority to be invalid or unenforceable. If the trademarks or other intellectual property rights we use could not be registered, we may not be able to prevent others from using these trademarks or other intellectual property rights, and our business, results of operations and financial condition may be materially and adversely affected.

Furthermore, protecting and enforcing intellectual property rights could be difficult and costly, and the steps we have taken may be inadequate to prevent the misappropriation of our intellectual property. If we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and diversion of our managerial and financial resources. We cannot assure you that we will prevail in such litigation. In addition, our trade secrets may be leaked or otherwise become available to, or be discovered by, our competitors. To the extent that our employees or individual insurance brokers use intellectual property owned by others in their work for us, disputes may arise as to the rights in related know-how and inventions. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

**We may be involved in legal proceedings and other proceedings arising from our operations and may be subject to material liabilities or incur additional costs, and the regulatory measures and legal procedures against us may have a material adverse effect on our business, financial condition, results of operations and prospects.**

We may be involved in legal and administrative proceedings, including disputes with our partners from time to time. As our business expands, we anticipate facing litigations and disputes in the ordinary course of our business, which may result in claims for actual damages, freezing of our assets and diversion of our management’s attention, as well as legal proceedings against our Directors, officers or employees, and the probability and amount of liability, if any, may remain unknown for long periods of time. The outcomes of such claims, investigations and proceedings are inherently uncertain, and in any event defending against these claims could be both costly and time-consuming. Therefore, our reserves for such matters may be inadequate, and any unfavorable final resolution of any such litigation or proceedings could have a material adverse effect on our business, results of operations and financial condition. Moreover, we may incur significant legal fees or suffer significant reputational harm, which could have a material adverse effect on our prospects and future growth.

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We may also face regulatory actions from time to time. A material legal liability or material regulatory enforcement could have an adverse effect on us or cause damage to our reputation, which may harm our business prospects. During the Track Record Period, we had not made social insurance and housing provident funds for some of our employees in full in accordance with the relevant PRC laws and regulations. According to the applicable laws and regulations, the competent government authorities may demand us to take rectification measures. If we fail to take the measures as demanded, we may be subject to fines. We cannot assure you that the relevant governmental authorities will not require us to pay the shortfall amount and impose late fees or fines, pecuniary penalties or other administrative actions on us. In addition, during the Track Record Period and up to the Latest Practicable Date, we were subject to four administrative penalties imposed by the CBIRC, the NFRA and their local branches, with aggregated penalties of approximately RMB1.05 million. While these penalties, fines or other punishments have not had a material adverse effect on our business, results of operations or financial condition, we cannot assure you that future inspections by PRC regulatory authorities would not result in penalties, fines or other punishments, or the issuance of negative reports or opinions, that could materially and adversely affect our reputation, business, results of operations or financial condition. For discussions on the regulatory matters affecting us, and the resultant risks to our business, see “Business — Legal and Regulatory Proceedings and Compliance.”

**We may fail to comply with PRC property-related laws and regulations regarding certain of our leased property, which could have a material adverse effect on our business, operations and financial condition.**

We leased certain properties in the PRC in connection with our business operations. Some of these properties do not meet certain property-related requirements under PRC laws and regulations. For example, as of the Latest Practicable Date, all our leased properties had not been registered and filed with the competent PRC government authorities as required by applicable PRC laws and regulations. We cannot assure you that the lessors will cooperate and complete the registration in a timely manner. Our PRC Legal Advisor has advised us that failure to complete the registration and filing of lease agreements will not affect the validity of such leases but could result in the imposition of fines up to RMB10,000 for each leased property that is unregistered if we fail to rectify the noncompliance within the time frame prescribed by the relevant authorities. We have obtained all the ownership certificates. Additionally, as of the Latest Practicable Date, the actual use of four leased properties did not fit into the prescribed scope of usage shown on the relevant certificates. Some of these leased properties are used for our offices. For the leased properties with usage defects, as advised by our PRC Legal Advisor, administrative penalties may be imposed on the landlords if the properties are leased for the usage incompatible with the prescribed scope, and our usage of the leased properties with usage defects may be interrupted, which may negatively affect the operations of our business and results of operations.

**Our insurance coverage may not be sufficient to protect us from significant costs and business disruption.**

We believe our insurance policies are in line with industry standards to safeguard us against risks and unexpected events, such as professional liability insurance. In line with general market practice, we do not maintain business interruption insurance or general third-party liability insurance, nor do we maintain product liability insurance or keyman

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insurance. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have an adverse effect on our results of operations. If we were to incur substantial losses or liabilities due to natural disaster, disruption in our network infrastructure or business operations, or any material litigation, our results of operations could be materially and adversely affected. Our current insurance coverage may not be sufficient to prevent us from any loss, and we may not be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. If we incur any loss beyond the coverage of our insurance policies, or the amount indemnified is significant less than our actual loss, our business, financial condition and results of operations could be materially affected.

**If we fail to obtain, renew, or retain certain licenses, permits or approvals, it may materially and adversely affect our ability to conduct our business.**

We are required by PRC laws and regulations to hold various licenses, permits and approvals issued by relevant regulatory authorities to allow us to conduct our business operations, including license for operating insurance intermediary services. We are required by applicable laws to report to the local regulatory authorities with respect to the establishment of the local branches and the appointment of the senior executives of our subsidiaries operating insurance intermediary services. Any infringement of legal or regulatory requirements, or any suspension or revocation of these licenses, permits and approvals, or failure to fulfill the reporting obligations, may have a material adverse impact on our business. The licensing requirements within the insurance and insurance intermediary industry may be amended from time to time, and we may be subject to more stringent regulatory requirements due to clarification or development in interpretation or implementation of laws and regulations, or promulgation of new regulations or guidelines in the PRC. We may be required to obtain other licenses, permits or approvals, or otherwise comply with additional regulatory requirements in the future. We cannot assure you that we will be able to retain, obtain or renew relevant licenses, permits or approvals or fulfill the reporting obligations in the future. Failure to obtain relevant licenses, permits, or approvals, or fulfill the reporting obligations, or otherwise comply with additional regulatory requirements in the future could result in fines, which could materially and adversely affect us. This may, in turn, hinder our business operations and materially and adversely affect our business, results of operations and financial condition.

**If we fail to attract and retain an experienced management team and key qualified personnel, our business operation, our business and prospects may be materially and adversely affected.**

Our business performance depends substantially on the continuous service of our experienced management team and other key qualified personnel. Competition for high-end talents in the industry is fierce. If we lose senior management or qualified personnel and fail to attract talents that can effectively replace them in time, our business and results of operations may be materially and negatively affected. In addition, if any of our management team or key qualified personnel leaves us or joins a competitor, we may lose customers or end consumers. Any loss of service of our management team and key qualified personnel can significantly delay or prevent us from achieving our strategic business objectives, and adversely affect our business and prospects.

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## RISK FACTORS

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### RISKS RELATING TO CONDUCTING BUSINESS AND REGULATORY COMPLIANCE IN THE PRC

#### **Purchasers of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.**

Pursuant to the Individual Income Tax Law, the EIT Law, their implementation rules and the Circular of the State Administration of Tax on Issues Relating to the Withholding and Remitting of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) (國稅函[2008]897號) issued by the SAT on November 6, 2008, both the dividends we pay to non-PRC resident individual holders of H and gains realized through the sale or transfer by other means of H shares by such shareholders, are subject to PRC individual income tax at a rate of 20%, unless reduced by applicable tax treaties or arrangements. And the dividends we pay to, and gains realized through the sale or transfer by other means of H shares by non-PRC resident enterprise holders of H shares are both subject to PRC enterprise income tax at a rate of 10%, unless reduced by applicable tax treaties or arrangements.

Although our business operations are in China, it is unclear whether dividends we pay with respect to our H Shares, or the gains realized from the transfer of our H Shares, would be treated as income derived from sources within China and as a result be subject to PRC income tax. If PRC income tax is imposed on gains realized through the transfer of our H Shares or on dividends paid to our non-PRC resident purchasers, the value of investment in our H Shares may be adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

#### **Purchasers of our H shares may have difficulties in effecting service of legal process and enforcing judgments against us or our senior management personnel.**

We are a company incorporated under the laws of the PRC and substantially amount of our business, assets and operations are located in China. In addition, most of our Directors, Supervisors and senior management personnel reside in China, and substantially most of the assets of such Directors, Supervisors and executive officers are located in China. As a result, it may not be possible for you to directly effect service of process upon us or such Directors, Supervisors or senior management personnel who reside in China, including with respect to matters arising under U.S. federal securities laws or applicable state securities laws. Pursuant to the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) effective on January 29, 2024, a party with an enforceable final court judgment rendered by any designated people’s court of China or any designated Hong Kong court with respect to any civil and commercial cases excluding certain types of which, may apply for recognition and enforcement of the judgment in the relevant people’s court of China or Hong

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## RISK FACTORS

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Kong court. China has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan and many other countries. In addition, Hong Kong has no arrangement with the United States for reciprocal enforcement of judgments. In accordance with the Civil Procedure Law of the PRC and other applicable laws, regulations, and interpretations, a court judgment obtained in the United States and any of the other jurisdictions mentioned above may be recognized and enforced in China or Hong Kong in consideration of the treaties providing for the reciprocal enforcement of judgments of courts between China and the country where the judgment was made. As a result, purchasers of our H Shares may experience difficulties when they seek recognition and enforcement of judgments obtained from non-PRC courts against us or our senior management personnel.

**Regulations on currency exchange and the fluctuation of currency exchange rate may adversely affect our business and our ability to pay dividends to purchasers of our H Shares.**

Government authorities in regions where we operate our business regulate the convertibility and remittance of currencies. A portion of our revenue may be converted into other currencies in order to meet our foreign currency obligations. For example, we need to obtain foreign currency to make payments of declared dividends, if any, on our H Shares. Under existing laws and regulations on foreign exchange, following the completion of the [REDACTED], we will be able to make dividend payments in foreign currencies by complying with certain procedural requirements and without prior approval from the State Administration of Foreign Exchange of the PRC. In the future, the relevant regulatory developments may affect our ability to pay dividends in foreign currencies to purchasers of our H Shares. We are also exposed to foreign currency risk. The value of the Renminbi against the U.S. dollar and other currencies are affected by a number of factors, such as regulatory updates and developments in the PRC’s and international political and economic conditions. As all of our revenue and operating expenses are denominated in Renminbi and the proceeds from the [REDACTED] will be received in Hong Kong dollars, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other currencies may result in the decrease in the value of our foreign currency denominated assets and our proceeds from the [REDACTED]. Conversely, any depreciation of the Renminbi due to fluctuation of the relevant exchange rates may affect the value of, and any dividends payable on, our H Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign exchange currency exposure at reasonable costs. We cannot assure you that we will be able to minimize or reduce our foreign currency risk exposure relating to our foreign currency denominated assets.

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## RISK FACTORS

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**We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas listings issued by the PRC government authorities.**

On February 17, 2023, the CSRC issued the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and five supporting guidelines, which became effective on March 31, 2023 (the “Overseas Listing Regulations”). The Overseas Listing Regulations require both direct and indirect overseas offering and listing of PRC domestic companies’ securities. Pursuant to the Overseas Listing Regulations, where a PRC domestic company submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted. According to the Overseas Listing Regulations, we, as a PRC domestic company seeking to submit an application for initial public offering to Hong Kong Stock Exchange, are required to fulfill the filing procedure with the CSRC within three working days after submitting the application documents to the overseas supervisory authorities and report relevant information. In addition, the Overseas Listing Regulations may subject us to additional compliance requirements in the future, and we cannot assure that we will be able to get clearance of our filing procedures under the Overseas Listing Regulations on a timely basis, or at all. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our ability to continue to list our securities, cause significant disruption to our business and severely damage our reputation, which could adversely affect our financial condition and results of operations and cause our securities to decline in value or become worthless.

In addition, our future capital raising activities such as follow-on equity or debt offerings, listing on other stock exchanges and going private transactions, may also be subject to the filing requirement with the CSRC. Failure to complete such filing procedures as required under the Overseas Listing Regulations, or a rescission of any such filings completed by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities, which could include fines and penalties on our operations in the PRC, and other forms of sanctions that may materially and adversely affect our business, financial condition and results of operations.

**Discontinuation of preferential tax treatments currently available to us could adversely affect our cash flow and financial condition.**

Pursuant to the EIT Law, the EIT rate generally applicable in the PRC has been 25% since January 1, 2008. In 2022, our Company was recognized as a “High-Tech Enterprise” (高新技術企業) and is entitled to enjoy a preferential EIT rate of 15%. There can be no assurance that such preferential EIT rate will remain the same or be renewed in the future. Therefore, there can be no assurance that we will continue to enjoy the preferential tax rate in the future. If we fail to maintain or renew the “High-Tech Enterprise” (高新技術企業) recognition or the PRC governmental authorities change their tax policy of supporting new technology development, the EIT rate applicable to us may increase to 25% or other rates as the PRC governmental authorities may determine. This can have an adverse effect on our cash flow and financial condition.

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## RISK FACTORS

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### RISKS RELATING TO THE [REDACTED]

**There has been no prior public market for our H Shares, and there can be no assurance that an active market would develop, and the liquidity, market price and trading volume of our H Shares may be volatile.**

Prior to this [REDACTED], there has been no public market for our H Shares. The [REDACTED] for our H Shares was the result of negotiations among us and the [REDACTED] (for itself and on behalf of the [REDACTED]), and it may differ significantly from the market price for our H Shares following this [REDACTED].

A [REDACTED] on the Stock Exchange does not guarantee that an active and liquid trading market for our H Shares will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the market price of the H Shares will not decline following the [REDACTED]. In addition, the trading price and trading volume of our H Shares may be subject to significant volatility in responses to various factors from time to time, including but not limited to, our results of operations, financial conditions and the general market conditions of the securities. These broad fluctuations may have a material adverse effect on the market price and trading volume of our H Shares.

**Future sales or perceived sales of a substantial number of our H Shares in the public market following the [REDACTED] could materially and adversely affect the price of our H Shares and our ability to raise additional capital in the future.**

Our existing Shareholders are subject to certain lock-up periods. We cannot guarantee that our existing Shareholders will not dispose of our H Shares following the expiration of their respective lock-up periods after the [REDACTED]. Future sales or perceived sales by our existing Shareholders in the public market or the perception that these sales may occur could adversely impact the prevailing market price of our H Shares and our ability to raise equity capital in the future. We cannot predict the effect of any future sales or perceived sales of a substantial number of our H Shares on the public market on the market price of our H Shares.

**We cannot assure you whether and when we will declare and distribute dividends in the future.**

Our ability to declare dividends will depend on, among other considerations, our results of operations, operating and capital expenditures requirements, financial condition, profitability and distributable profits, contractual restrictions and obligations, our Articles of Association and other constitutional documents, our strategic and commercial business plans, macroeconomic conditions and any other factors from time to time that our Directors consider relevant. Moreover, dividend declaration and distribution will be at the discretion of our Board and will be subject to the approval at the general meeting. As a result, we cannot assure whether, when and in what form we will make any dividend payments on our Shares in the future. For details, please refer to the paragraph headed “Financial Information — Dividends” in this document.

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## RISK FACTORS

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**Purchasers of our H Shares will experience immediate dilution and may experience further dilution if we issue additional Shares in the future.**

The [REDACTED] of our H Shares is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, purchasers of our H Shares in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value. There can be no assurance that if we were to immediately liquidate after the [REDACTED], any assets will be distributed to Shareholders after the creditors’ claims. In addition, we may consider [REDACTED] and issuing additional Shares in the future to expand our existing operations. Purchasers of our H Shares may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price that is lower than the net tangible asset value per Share at that time.

**Forward-looking statements contained in this document are subject to risks and uncertainties.**

This document contains certain statements and information that are based on our current beliefs and assumptions as well as information currently available to us and use forward-looking terminologies, such as “aim”, “anticipate”, “believe”, “can”, “continue”, “could”, “estimate”, “expect”, “going forward”, “intend”, “ought to”, “may”, “might”, “plan”, “potential”, “predict”, “project”, “seek”, “should”, “will”, “would” or other similar expressions. Such statements reflect the current views of our management with respect to future events, business operations, liquidity and capital resources, and some of which may not materialize or may change. Reliance on any forward-looking statement involves risks and uncertainties, and any or all of those assumptions could prove to be inaccurate. As a result, the forward-looking statements based on those assumptions could also be incorrect.

In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Prospective investors should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

**Certain facts, forecasts and statistics in this document are derived from various official sources and may not be reliable.**

This document, particularly the section “Industry Overview”, contains facts, forecasts and statistics that have been derived from various official government sources. We believe that these sources are appropriate sources for such information and have taken reasonable care in extracting and reproduction. However, we cannot guarantee the quality or reliability of these sources. The facts, forecasts and statistics have not been independently verified by neither us nor other parties involved in the [REDACTED]. As such, no representation as to the accuracy of such facts, forecasts and statistics obtained from various sources is made. Prospective investors should give consideration as to how much weight or importance they should attach to or place on such facts, forecasts or statistics and should not place undue reliance on them.



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## RISK FACTORS

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**Prospective investors should read the entire document carefully, and we strongly caution prospective investors not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].**

Prior or subsequence to the date of this document, there may have been or be press, media or internet coverage regarding us, the [REDACTED] or other corporate activities, which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us, the [REDACTED] or certain allegation against us. We have not authorized the disclosure of any such information in the press, media or on the internet and do not accept responsibility for the accuracy or completeness thereof. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their decisions on the basis of the information contained in this document only and should not rely on any other information.

## **WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES**

In preparation for the [REDACTED], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

### **WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG**

Pursuant to Rule 8.12 of the Listing Rules, a new applicant for listing on the Stock Exchange must have sufficient management presence in Hong Kong, which normally means that at least two of the executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by the Stock Exchange in its discretion having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Stock Exchange.

Since our headquarters and principal business operations and management of our Group are carried out in the PRC, our executive Directors and all of the senior management team are based in the PRC to better manage and attend to our Group's business operations. We consider that it would be practically difficult and commercially infeasible for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Therefore, we do not and, in the foreseeable future, will not have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, we will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and us:

- (a) we have appointed Mr. Tu (an executive Director) and Mr. Chan Hei Yeung (a joint company secretary of our Company) as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. The authorized representatives will act as the principal channel of communication between the Stock Exchange and our Company. The authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon request and will be readily contactable by the Stock Exchange by telephone, facsimile and/or email to deal promptly with any enquiries which may be made by the Stock Exchange. Each of the authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange;
- (b) each of the authorized representatives has means to contact all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the Directors on any matters. We will implement a policy whereby:
  - (i) each Director will provide his/her mobile phone number, office phone number, residential phone number, email address and facsimile number to the authorized representatives;

## **WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES**

- (ii) each Director will provide his/her phone numbers or means of communication to the authorized representatives when he/she is traveling; and
- (iii) each Director will provide his/her mobile phone number, office phone number, email address and facsimile number to the Stock Exchange, and we shall promptly inform the Stock Exchange of any change to the contact details of the authorized representatives and our Directors;
- (c) in compliance with Rule 3A.19 of the Listing Rules, we have retained CMBC International Capital Limited to act as our Compliance Advisor, who will act as an additional channel of communication between the Stock Exchange and our Company for the period commencing on the [REDACTED] and ending on the date that our Company publishes our financial results for the first full financial year after the [REDACTED] pursuant to Rule 13.46 of the Listing Rules. The contact person of the Compliance Advisor will be fully available to answer enquiries from the Stock Exchange;
- (d) any meetings between the Stock Exchange and the Directors may be arranged through the authorized representatives or our Compliance Advisor or directly with our Directors within a reasonable time frame;
- (e) each Director (including independent non-executive Directors) who is not ordinarily resident in Hong Kong has confirmed that each of them possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period; and
- (f) we will retain a Hong Kong legal advisor to advise us on the application of the Listing Rules and other applicable Hong Kong laws and regulations after our [REDACTED].

### **WAIVER IN RELATION TO JOINT COMPANY SECRETARIES**

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, our company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers that the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the laws of Hong Kong); or
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the laws of Hong Kong).

## **WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES**

Note 2 to Rule 3.28 of the Listing Rules further provides that in assessing “relevant experience”, the Stock Exchange will consider the individual’s:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules (i.e. not less than 15 hours of relevant professional training in each financial year); and
- (d) professional qualifications in other jurisdictions.

Pursuant to paragraph 13 of Chapter 3.10 of the Guide, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include: (a) whether the issuer has principal business activities primarily outside Hong Kong; (b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide) as a company secretary; and (c) why the directors consider the individual to be suitable to act as the issuer’s company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 of the Guide, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions: (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company considers that while it is important for the company secretary to be familiar with the relevant securities law and regulation in Hong Kong, they also need to have experience relevant to our Company’s operations, nexus to our Board and close working relationship with the management of our Company in order to perform the function of a company secretary and to take the necessary actions in the most effective and efficient manner. It is for the benefit of our Company to appoint a person who has been a member of the senior management for a period of time and is familiar with our Company’s business and affairs as a company secretary. Therefore, our Company appointed Mr. Ke Weibin and Mr. Chan Hei Yeung as joint company secretaries. For their respective biographies, please refer to the paragraph headed “Directors and Senior Management — Joint Company Secretaries” in this document.

## **WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES**

Mr. Ke Weibin is the vice general manager and the director of strategy of our Company and has day-to-day knowledge of the Group’s affairs. Mr. Ke Weibin has the necessary nexus to the Board and close working relationship with management of the Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner. Mr. Chan Hei Yeung is a certified public accountant as defined in Professional Accountants Ordinance (Chapter 50 of the laws of Hong Kong), and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Our joint company secretaries will be jointly discharging the duties and responsibilities of a company secretary. Mr. Chan will be assisting Mr. Ke in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Ke will also be assisted by (i) our Compliance Advisor for the first full financial year starting from the [REDACTED], particularly in relation to Hong Kong corporate governance practice and compliance matters; and (ii) the Hong Kong legal advisor of our Company, on matters regarding our Company’s ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Mr. Ke will endeavor to attend relevant trainings and familiarize himself with the Listing Rules and duties required of a company secretary of an issuer listed on the Stock Exchange.

We have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Ke may be appointed as a joint company secretary of our Company. The waiver is valid for an initial three-year period on the condition that Mr. Chan, as a joint company secretary of our Company, will work closely with and provide assistance to Mr. Ke in the discharge of his duties as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. The waiver will be revoked immediately if Mr. Chan ceases to provide assistance to Mr. Ke as the joint company secretary for the three-year period after [REDACTED].

Our Company will further ensure that Mr. Ke has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Prior to the end of the three-year period, the qualifications and experience of Mr. Ke and the need for ongoing assistance of Mr. Chan will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Mr. Ke, having benefited from the assistance of Mr. Chan for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the “relevant experience” within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

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**INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]**

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**INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]**

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**INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]**

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**INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]**

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**INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]**

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[REDACTED]

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**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]**

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**DIRECTORS**

<b>Name</b>	<b>Residential Address</b>	<b>Nationality</b>
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*Executive Directors:*

Mr. Tu Jinbo (涂锦波)	Room 3206, Building A Golden Building Huli Street Huli District, Xiamen Fujian Province PRC	Chinese
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Mr. Shi Wenzheng (施文铮)	Room 4004, Building 57 Shimao Yuhaishu Phase 3 Binhai East Avenue Xiang'an District, Xiamen Fujian Province PRC	Chinese
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*Non-executive Directors:*

Mr. Zeng Jianhua (曾建华)	Room 1401, Building 24 Xinjingyuan Community Wuyuan Bay Huli District, Xiamen Fujian Province PRC	Chinese
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Mr. Zheng Yu (郑煜)	Room 101, Building 6 Haisheng Mingyuan B36 Dongzhimen Street Dongcheng District Beijing PRC	Chinese
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Mr. Wang Qianwei (王前伟)	Room 1002, Building 8 Henghe Qishang Siming District, Xiamen Fujian Province PRC	Chinese
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**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]**

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*Independent Non-executive Directors:*

Dr. Zhao Zhengtang (趙正堂)	Room 402 No. 18 Yuqing Road Siming District, Xiamen Fujian Province PRC	Chinese
Ms. Chan Tak Yi (陳德宜)	Flat F, 4/F Tai Shan Mansion Taikoo Shing Hong Kong	Chinese
Dr. Cao Liujuan (曹劉娟)	Room 501 No. 168 Haiyun North Community Siming District, Xiamen Fujian Province PRC	Chinese

**SUPERVISORS**

<b>Name</b>	<b>Residential Address</b>	<b>Nationality</b>
Ms. Yu Jianrong (于建榕)	Room 701, No. 39 Tianqin Bay Wuyuan Bay International Trade Center Huli District, Xiamen Fujian Province PRC	Chinese
Mr. Pei Shaoshan (裴韶山)	Room 201 No. 50 Yuanshan North Second Lane Huli District, Xiamen Fujian Province PRC	Chinese
Mr. Zheng Weixin (鄭煒昕)	Room 202, Building 26 Baicheng, Xiamen University Siming District, Xiamen Fujian Province PRC	Chinese

Further information about our Directors, Supervisors and other senior management members are set out in “Directors, Supervisors and Senior Management”.

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**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]**

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**PARTIES INVOLVED IN THE [REDACTED]**

**Joint Sponsors**

**CMBC International Capital Limited**

45/F, One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

**BOCI Asia Limited**

26/F, Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

[REDACTED]

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**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]**

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[REDACTED]

**Legal Advisors to the Company**

*As to Hong Kong laws:*

**Zhong Lun Law Firm LLP**

4th Floor, Jardine House  
No. 1 Connaught Place  
Central  
Hong Kong

*As to PRC laws:*

**Zhong Lun Law Firm**

57/58/59/F, Tower A,  
Ping An Finance Center  
5033 Yitian Road  
Futian District, Shenzhen  
Guangdong Province  
PRC

*As to PRC data security laws:*

**Zhong Lun Law Firm**

22-31/F, South Tower of CP Center  
20 Jin He East Avenue  
Chaoyang District  
Beijing  
PRC

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**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]**

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**Legal Advisors to the Joint Sponsors and  
the [REDACTED]**

*As to Hong Kong laws:*

**Linklaters**

11/F, Alexandra House  
Chater Road  
Central  
Hong Kong

*As to PRC laws:*

**Jingtian & Gongcheng**

45/F, K. Wah Center  
1010 Huaihai Road (M)  
Xuhui District  
Shanghai  
PRC

**Auditors and Reporting Accountants**

**RSM Hong Kong**

*Certificated Public Accountants  
Registered Public Interest Entity Auditor*  
29th Floor, Lee Garden Two  
28 Yun Ping Road  
Causeway Bay  
Hong Kong

**Industry Consultant**

**China Insights Industry Consultancy  
Limited**

10/F, Block B, Jing’an International Center  
88 Puji Road  
Jing’an District  
Shanghai  
PRC

[REDACTED]



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## CORPORATE INFORMATION

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<b>Registered Office</b>	24th Floor, Baige Tiandi Financial (Insurance) Technology Industrial Park Huli District, Xiamen Fujian Province PRC
<b>Headquarters and Principal Place of Business in the PRC</b>	24th Floor, Baige Tiandi Financial (Insurance), Technology Industrial Park Huli District, Xiamen Fujian Province PRC
<b>Principal Place of Business in Hong Kong</b>	4/F, Jardine House No. 1, Connaught Place Central Hong Kong
<b>Company Website</b>	<b><u><a href="http://www.baigebao.com">www.baigebao.com</a></u></b> <i>(Information contained on this website does not form part of this document)</i>
<b>Joint Company Secretaries</b>	Mr. Ke Weibin 24th Floor, Baige Tiandi Financial (Insurance) Technology Industrial Park Huli District, Xiamen Fujian Province PRC  Mr. Chan Hei Yeung <i>HKICPA</i> 4/F, Jardine House No. 1, Connaught Place Central Hong Kong

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## CORPORATE INFORMATION

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### Authorized Representatives

Mr. Tu Jinbo  
Room 3206, Building A  
Golden Building  
Huli Street  
Huli District, Xiamen  
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## INDUSTRY OVERVIEW

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*The information and statistics set out in this section and other sections of this Document were extracted from the report prepared by CIC, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged CIC to prepare the CIC Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us or any other parties involved in the [REDACTED], or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the [REDACTED], and no representation is given as to its accuracy.*

### OVERVIEW OF THE DIGITAL RISK MANAGEMENT SOLUTIONS INDUSTRY IN THE PRC

#### Overview of the digital economy in the PRC

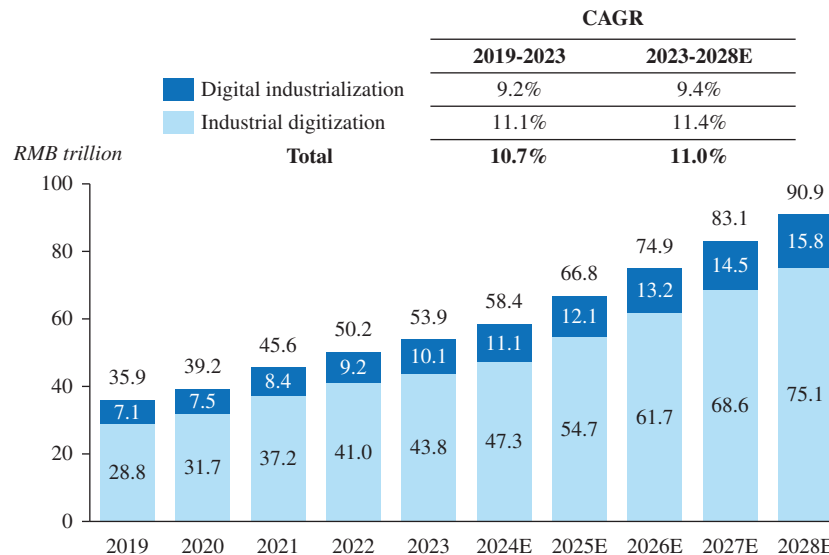
In the digital economy, new market trends such as the sharing economy, real-time delivery, and mobile payments have gained increasing attention, creating new categories of risk and rising demand for new insurance coverage. The advancement of AI, big data, and cloud computing has flourished in China’s digital economy market, with applications in scenarios such as mobility, general human resources, inclusive finance, medical and healthcare, public services, education, auto services, e-engineering, and logistics. Fragmented scenario-based information and data are emerging, revealing data on user behavior, market trends, product demands, real-time transactions, and social interactions. The above mentioned dataset is massive, complex, and dynamic. Data has become an increasingly valuable element of the digital economy. As the digital economy develops, companies and government agencies will strengthen their capabilities in data management and utilization, promote data sharing and openness, and explore the value of data, fostering the healthy development of the digital economy.

#### Market size of the digital economy in the PRC

China’s digital economy encompasses digital industrialization and industrial digitization. Digital industrialization refers to the information and communication sectors, including electronic information manufacturing, telecommunications, software and IT services, and the internet industry. The digitalization of industries refers to the increase in output and efficiency enhancement through the application of digital technology, including the industrial internet, intelligent manufacturing, the internet of vehicles, and the platform economy, which integrate into new sectors, models, and business forms. With breakthroughs in 5G and AI, the expansion of the digital economy in China is steadily advancing. From 2019 to 2023, its market size rose from RMB35.9 trillion to RMB53.9 trillion, with a CAGR of 10.7%. Specifically, the digital industrialization and industrial digitization reached RMB10.1 trillion and RMB43.8 trillion in 2023, respectively. It is expected that by 2028, the market size of the digital economy in the PRC will reach RMB90.9 trillion, representing a CAGR of 11.0% between 2023 and 2028. Specifically, the digital industrialization and industrial digitization will reach RMB15.8 trillion and RMB75.1 trillion, respectively, with its role and integration capabilities of digital economy being further utilized.

## INDUSTRY OVERVIEW

### Market Size of the Digital Economy in the PRC, by Output, Categorized by Industry Type, 2019-2028E



Source: CIC

Note:

- (1) The output value of the digital industrialization includes the added value of basic telecommunications, electronic information manufacturing, the internet industry, and software services. The output value of the industrial digitization consists of the increased output and efficiency enhancement (added value) brought about by the integration and penetration of ICT (information and communications technology) products and services from various traditional enterprises undergoing digital transformation in the primary industry, secondary industry and tertiary industry.

### Definition and classification of digital risk management solutions

Digital risk management solutions are processes that use digital methods to quantify and manage risks. These processes include data collection, risk modeling, risk monitoring, risk reporting, and decision support. The goal of these applications is to improve the accuracy and timeliness of risk management, provide risk protection, and achieve risk transfer.

Digital risk management applications can be divided into three categories based on the types of targeted clients: 1) **Financial institutions**. Insurance companies need accurate pricing and claims handling to reduce operational risks. Other financial institutions such as banks, securities firms, and fund management companies must manage credit risk, market risk, and operational risk; 2) **Government agencies**. Government must manage policy risks, fiscal risks, and public policy risks to ensure the justice of the allocation of public resources and social stability; 3) **Enterprises**. Participants include enterprises of various sizes and industries that need to manage supply chain risks, operational risks, compliance risks, and strategic risks to protect corporate assets and drive business growth. Insurance products inherently possess the function of risk management, providing protection for individuals and businesses by

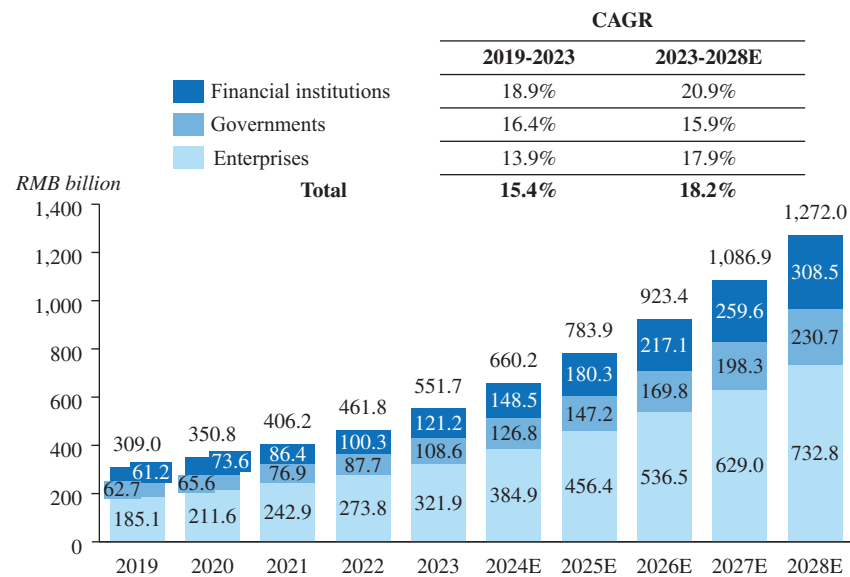
## INDUSTRY OVERVIEW

transferring, dispersing, compensating, and preventing risks. Digital risk management enhances the accuracy and efficiency of these risk assessments and management through technological methods such as big data analysis and AI algorithms. At the same time, digital risk management is closely linked to insurance digitalization. Digital methods not only strengthen the full process of insurance product planning to marketing, consultation, services, and insurance claims, but also provide insurance companies and both enterprise and individual customers with more efficient and precise risk management solutions.

### Market Size of digital risk management solutions market in the PRC

With the development of the digital economy and growth in risk management demands, the market size of the digital risk management solutions market in the PRC increased from RMB309.0 billion to RMB551.7 billion from 2019 to 2023, with a CAGR of 15.4%. By 2028, the market size of the digital risk management solutions market in the PRC is estimated to reach RMB1,272.0 billion, with a CAGR of 18.2% between 2023-2028.

### Market Size of the Digital Risk Management Solutions Market in the PRC, by Technology Investment, Categorized by Downstream Institutions, 2019-2028E



Source: CIC

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## INDUSTRY OVERVIEW

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### Market drivers of digital risk management solutions market

- **Data Asset Value:** Big data has become one of the most valuable assets across industry sectors. In 2023, the total national data production volume reached 32.9 ZB, a year-on-year increase of 22.4%, the total national data storage volume was 1.7 ZB, and the total traffic of mobile internet access was 0.27 ZB. With over 40 data trading institutions established and a market approaching RMB100 billion, effective data management and protection are now essential for digital transformation. The accumulation of digital elements and the enhancement of asset value are highly correlated with the empowerment of the digital economy. The progression of the digital economy and the elevation of data elements can drive technological advancements and commercialization in digital risk management.
- **Enhanced Risk Awareness:** Organizations face increasingly complex risks spanning market, credit, operation, and compliance domains. Digital risk management applications help governments, financial institutions, and enterprises more accurately identify, assess, and manage various risks by integrating advanced risk management models and tools. The efficiency and transaction security of data assets can be improved, helping ecosystem participants identify risk patterns at different risk nodes, reduce operational risks, and enhance the operational efficiency and social value of these institutions.
- **Advanced Technology Integration:** AI and big data technology provide powerful technological support for digital risk management, facilitating large and complex dataset analysis, risk prediction, and identification. These technologies also help enterprises achieve automated risk monitoring and response for real-time and proactive risk management. LLMs and AI agents enhance these capabilities by offering advanced analytics and decision-making, which can lead to more accurate risk assessments and customized solutions.
- **Supportive Regulatory Framework:** Recent government regulatory supports provides a favorable environment for the development of the digital risk management application market. In December 2021, the *FinTech Development Plan of the People’s Bank of China (2022-2025)* (中國人民銀行金融科技發展規劃(2022–2025年)) promoted the transformation of risk management from ‘civil defense’ to ‘technical defense’ and ‘intelligent defense.’ In 2022, the China Banking and Insurance Regulatory Commission (now the National Financial Regulatory Administration) proposed to accelerate the construction of a risk management system that matches the digital transformation and to establish an enterprise-level risk management platform. In 2023, the State Council of China issued the ‘Guiding Opinions on Strengthening Data Asset Management’ (《關於加強數據資產管理的指導意見》) which set higher requirements for the acquisition, management, and use of data assets, and supported the systematic, legal, and compliant management of data assets through policy support and pilot encouragement. In December 2023, the National Data Administration and 17 other departments issued the *Three Year Action Plan for Data Elements x (2024-2026)* (《“數據要素x”三年行動計劃(2024–2026年)》), to leverage the multiplier effect of data elements and empower economic and social development. Recent policies such as the *Measures for the Supervision of Internet Insurance Business* (《互聯網保險業務監管辦法》), *Regulations on the Supervision and Administration of Non-Bank Payment Institutions* (《非銀行支付機構監督管理條例》) and *Local Financial Supervision and Administration Regulations (Draft for Comments)* (《地方金融監督管理條例(草案徵求意見稿)》) have also emphasized the principle of licensed operation of financial institutions. These policies have promoted the healthy, efficient, and sustainable development of the digital risk management industry based on data assets.

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## INDUSTRY OVERVIEW

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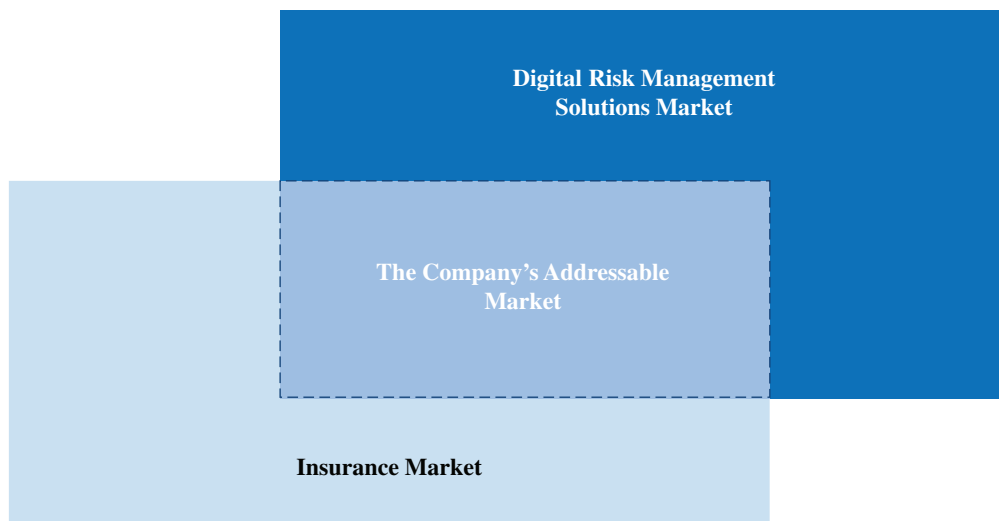
### OVERVIEW OF INSURANCE DIGITALIZATION IN THE PRC

#### Overview of the insurance industry in the PRC

Insurance products are usually divided into two categories: Life and accident & health (A&H) insurance and property & casualty insurance. Life and A&H insurance can be further divided into life insurance (annuities and other life insurance), health insurance (critical illness insurance, medical insurance, and other health insurance), and accidental injury insurance. Property & casualty insurance includes property damage insurance, liability insurance, and credit insurance.

The Insurance Market and the Digital Risk Management Solutions Market intersect, indicating that there is a common area of operation between them. The Company’s Addressable Market is precisely at this intersection, representing the specific segment where the company can provide its services.

#### Overview of Insurance Industry and Digital Risk Management Solutions Industry



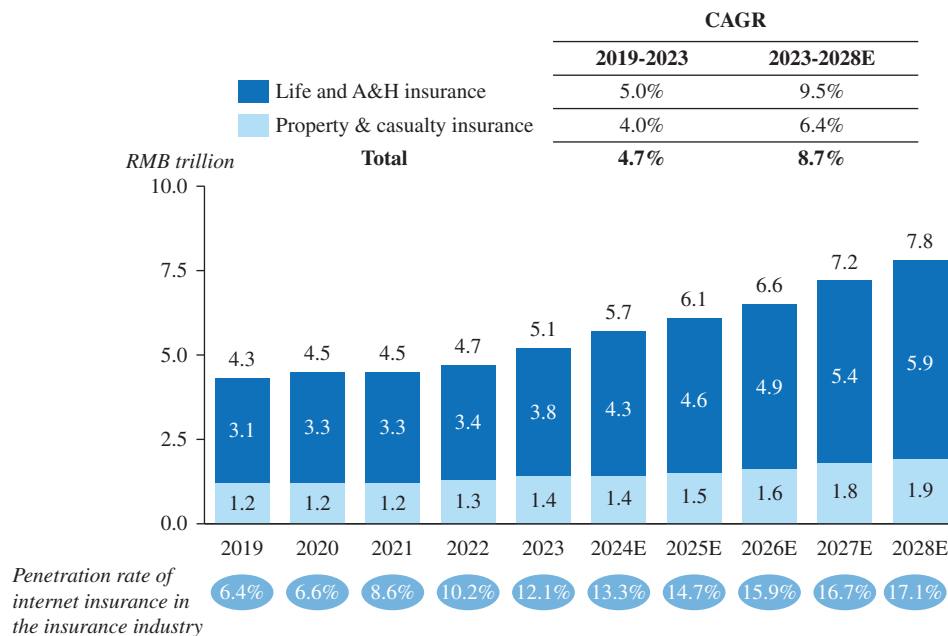
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Source: CIC

## INDUSTRY OVERVIEW

The Chinese insurance industry will maintain a steady growth trend. From 2019 to 2023, total premium of the insurance market in the PRC grew from RMB4.3 trillion to RMB5.1 trillion, with a CAGR of 4.7%. With the development of the internet, the sales channels for insurance products continue to expand, product coverage becomes more comprehensive, and people’s awareness of insurance increases. Expected by 2028, market size of the insurance market in the PRC will grow to RMB7.8 trillion, with a CAGR of 8.7% between 2023 and 2028. The market size of internet insurance exhibits a higher growth rate compared with the traditional insurance market. Thus, the penetration rate of internet insurance in the insurance industry have a steady growth trend. From 2019 to 2023, the penetration rate of internet insurance in insurance industry in PRC grew from 6.4% to 12.1%. Expected by 2028, the penetration rate will grow to 17.1%.

**Market Size of the Insurance Market in the PRC, by Premium Income, Categorized by Product Type, 2019-2028E**



Source: CIC

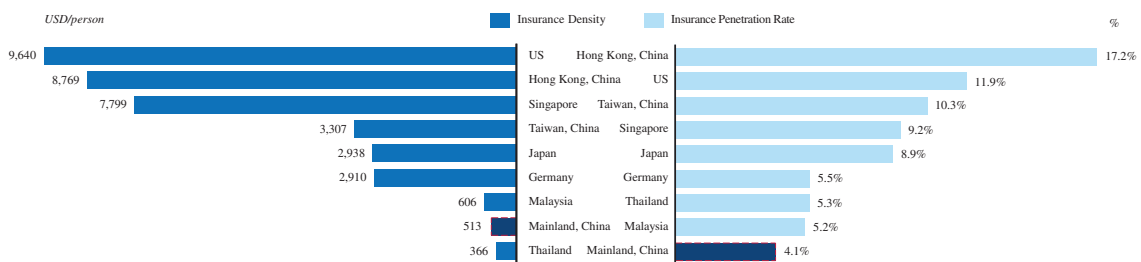


## INDUSTRY OVERVIEW

### Comparison of insurance density and penetration in the PRC and other countries

Despite the growth of the insurance market in the PRC, limited insurance awareness among customers, a late start of the insurance market, and the immaturity of commercial insurance still exist. As a result, in 2023, China’s insurance penetration (i.e., the percentage of total premiums to GDP) was just 4.1%. Insurance density (premium per capita) was only USD513, significantly lower than that of developed countries such as the United States and Singapore.

### Comparison of Insurance Density and Penetration in Major and Comparable Countries and Regions Worldwide<sup>(1)</sup>, 2023



Source: CIC

Note:

- (1) For comparability, major world economies (the United States, Germany, Japan) and comparable countries and regions in Asia (Hong Kong, Singapore, Taiwan, Malaysia, Thailand), which are relatively developed, are selected.

### Definition of insurance digitalization in the PRC

Digital risk management enhances the efficiency and effectiveness of risk management through digital and intelligent means, which has a positive impact on the entire insurance business process, from product design to marketing, insurance enrollment, and claims settlement. Insurance digitalization is the use of internet technology and platforms for insurance business, including insurance product consultation, purchase, and claims. Insurance digitalization also includes insurance technology services. Insurance industry participants can apply big data and AI technologies to reshape the entire process of insurance sales, risk assessment, pricing, and claims. They introduce innovative business models like personalized insurance products and intelligent claims services, enhancing the efficiency and capability of insurance services.

## INDUSTRY OVERVIEW

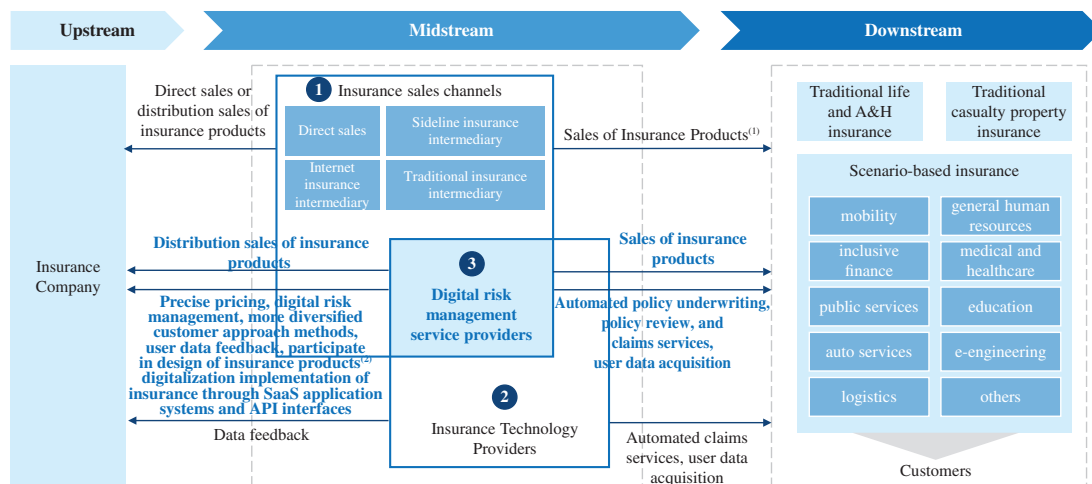
### Value chain analysis of insurance industry in the PRC

The value chain of the insurance industry consists of insurance companies, sales channels and technology providers, and both enterprise and individual customers. Traditional insurance sales channels are divided into three categories: 1) Channels operated by insurance companies themselves, including direct sales and individual insurance agents; 2) Insurance intermediaries; and 3) Sideline agency (including cooperation and distribution of insurance products by banks and other channels with licensed insurance brokerage agencies and agents). In addition, insurance companies also need the big data and other technology capabilities from the insurance technology service providers to provide underwriting, claiming and data acquisition services. Such insurance technology service providers do not have the qualifications or capabilities to sell insurance products.

Compared to insurance intermediaries, direct sales channels of insurance company, and sideline insurance intermediaries, which center on selling insurance policies, and technology providers, which only provides technology services to insurance companies, digital risk management solutions providers not only cover both functions mentioned above, but also participate in the design, development, and pricing processes of insurance products and provide data and risk management services, thereby obtaining higher value.

Digital risk management solutions providers connect insurance customers with insurance companies by collecting behavioral data from various downstream scenario customers, establishing data models, and assisting upstream insurance companies in digital risk management, precise pricing, and policy management. They also build automated underwriting, online policy review, and claims platforms, helping with the digitalization implement of insurance through SaaS application systems and API interfaces. Moreover, these providers actively identify potential risky situations to address emerging scenario based risks, based on big data model, with high data security technologies including web application firewalls and sensitive data masking.

### Value Chain Analysis of Insurance Industry in the PRC



Source: CIC

Notes:

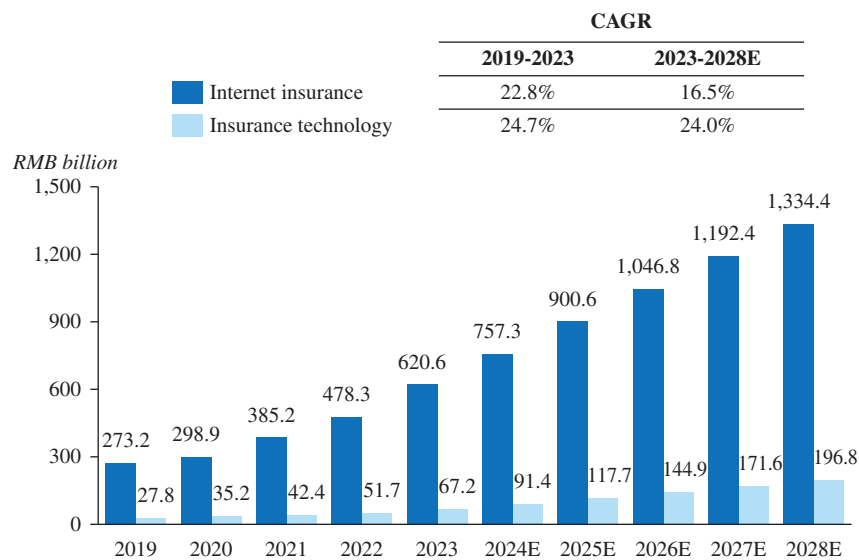
- (1) Traditional insurance sales channels mainly focus on selling traditional life and property insurance.
- (2) Including designing of coverage scope, exclusions, and reasonable insurance amount.

## INDUSTRY OVERVIEW

### Market size of the insurance digitalization market in the PRC

The insurance digitalization market encompasses both internet insurance and insurance technology service. Internet insurance refers to the online sales and brokerage services of insurance products, with the market size measured in the premium income generated through internet platforms. Insurance technology refers to technological innovations in processes such as risk assessment, pricing, and claims, the technology expenditure of insurance companies or insurance intermediaries. From 2019 to 2023, market size of the internet insurance market in the PRC grew from RMB273.2 billion to RMB620.6 billion, representing a CAGR of 22.8%. Meanwhile, from 2019 to 2023, the insurance technology market size rose from RMB27.8 billion to RMB67.2 billion, with a CAGR of 24.7%. By 2028, the market size of internet insurance and insurance technology in the PRC will reach RMB1,334.4 billion and RMB196.8 billion, respectively.

#### Insurance Digitalization Market Size in the PRC, by Premium Income/Insurance Technology Expenditure, 2019-2028E



Source: CIC

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## INDUSTRY OVERVIEW

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### Market drivers and trends of insurance digitalization market in the PRC

- **Internet-Based Economy Evolution:** From 2019 to 2023, the internet penetration rate in the PRC increased from 61.2% to 78.0%, fostering the internet-based economy and creating new service scenarios. Insurance companies can conduct precise analyses based on user data to launch customized products to satisfy the consumer needs. Moreover, risk management services can be provided through accumulated data assets, filling the market gaps, and meeting the insurance and risk management needs of various service providers and related end insureds.
- **Application of Cutting-edge Technologies:** AI, big data, cloud computing, and the Internet of Things (IoT) are driving the transformation of insurance. Insurance companies can collaborate with insurance digitalization service providers to establish systems such as cloud platforms, intelligent claims systems, and AI customer service, enhancing the automation rate across various insurance processes, which reduces costs and improves customer experience. For instance, AI-powered intelligent claims services have shortened the time required to complete claims reporting to just 2 minutes, improving efficiency by over 50% compared to traditional methods. AI agents based on Large Language Model, as part of these digitalization efforts, can provide 7x24 customer service and interaction, addressing many pain points of traditional human call center agents. Additionally, insurance digitalization service providers can leverage big data to assist insurance companies in designing tailored insurance products for different end insureds groups, meeting the needs of diverse demographics.
- **Post-COVID-19 Acceleration to Online Business:** During the pandemic, restricted offline service channels prompted insurance companies to hasten cooperation with digital insurance service providers or internal digital transformation. Meanwhile, end insureds’ awareness of health risks has increased, leading to a significant rise in demand for insurance related to health, accidents, and critical illnesses, along with more refined needs in certain specific areas. Insurance digitalization has enabled stable growth in online business by offering products that better meet end insureds’ demands and providing services such as remote health management, online consultations, and digital claims processing.
- **Enhanced Regulatory Framework and Authorities:** The 2021 ‘*Data Security Law*’ (《數據安全法》) and the ‘*Personal Information Protection Law*’ (《個人信息保護法》) made data security and privacy protection core requirements for the digital development of all industries. The insurance industry is strengthening its compliance system during digital transformation, adopting stricter data protection technologies and processes, including data encryption, access control, and distributed storage technologies, to ensure user privacy. Authorities such as the National Financial Regulatory Administration have intensified their requirements for risk management in the insurance industry, particularly in financial risk prevention, capital adequacy management, and corporate governance. Insurance digitalization service providers with the corresponding qualifications and capabilities can meet this demand from insurance companies and extend risk management services to other industries, including service providers and enterprises with risk management needs, targeting end insureds’.

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## INDUSTRY OVERVIEW

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### OVERVIEW OF DIGITAL RISK MANAGEMENT SOLUTIONS FOR SCENARIO-BASED INSURANCE IN THE PRC

#### Definition and classification of scenario-based insurance

Scenario-based insurance refers to products based on specific usage scenarios or activities, targeting potential risks faced in specific environments, activities, or events and providing users with short-term or customized protection. These insurance products have high flexibility, covering a short period but a wide range, and can penetrate various fragmented life scenarios, meeting the protection needs in specific situations. Scenario insurance can be divided into property & casualty insurance (guarantee insurance, engineering insurance, and cargo shipping insurance) and life and A&H insurance (health insurance and accidental insurance).

Unlike traditional insurance, which relies on industry-wide data and annual statistical dimensions, scenario-based insurance adopts a fragmented underwriting approach, providing each policy with a shorter liability period. This effectively mitigates risks of long-tail scenarios and allows for more precise pricing of such risks to a certain extent. By using a fragmented underwriting method, scenario-based insurance enables insurers to quickly adjust products according to market changes and customer needs. Compared to traditional insurance, this approach is more effective in managing risks, reduces trial-and-error costs, and improves operational efficiency. It allows insurance companies to perform more detailed risk assessment and pricing, making digital risk management more accurate compared to traditional pricing methods based on industry-wide data.

#### Pain point analysis of scenario-based insurance by customers and insurance companies in the PRC

- *Complex and Fragmented Demands:* Individuals have specific risk needs in life, work, and entertainment, and providers of these scenarios (B-end businesses) can offer related scenario-based insurance products and services. For example, when traveling, users want to cover risks such as flight delays and lost luggage, but when using shared bicycles, they may only require accidental injury insurance. Traditional insurance products do not cover these scenarios, creating demand for specific insurance products that can be activated or deactivated quickly so that users can affordably obtain protection.
- *High Data Volume and Purchase Demands:* Compared to traditional personal insurance and property & casualty insurance, scenario-based insurance has a shorter protection period, is usually lower-priced, and is purchased more frequently, leading to a rapid increase in data volume. Traditional claims processing and risk assessment methods struggle to cope with the large and complex volume of short-term policies. For example, each time a user purchases e-commerce return shipping insurance or short-term travel insurance online, new transaction data is generated.

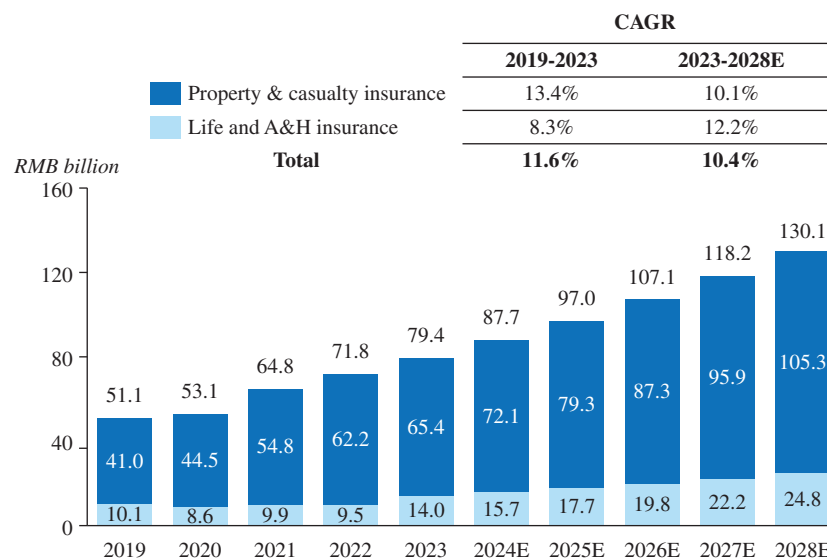
## INDUSTRY OVERVIEW

- Complex Terms and Customer Trust Demands:** Insurance product terms are often complex, and customers are typically unable to fully understand the coverage details when making a purchase. This results in significant time spent on decision-making, highlighting the need to enhance the purchasing experience. Furthermore, scenario-based insurance involves large amounts of personal sensitive data, such as travel, consumption, and health information, which must be strictly managed. For example, when purchasing vaccine insurance, users are required to provide sensitive information like health status and vaccination records, which they do not want to be misused or leaked. Therefore, insurance companies must implement multiple data protection measures in product design and data management, such as encryption technology, access controls, and data masking, to ensure information security.

### Market size of the scenario-based insurance digital risk management solutions market in the PRC

From 2019 to 2023, the market size of scenario-based insurance in the PRC increased from RMB51.1 billion to RMB79.4 billion, with a CAGR of 11.6%. Property & casualty insurance, represented by cargo shipping insurance and motor vehicle insurance, is the main component of scenario-based insurance. This subset reached RMB65.4 billion in 2023, accounting for 82.4% of the total. With the penetration of insurance in clothing, food, housing, and transportation, it is expected that by 2028, the market size of scenario-based insurance in the PRC will reach RMB130.1 billion, with a CAGR of 10.4% between 2023 and 2028.

#### The Market Size of Scenario-based Insurance in the PRC, by Premium Income, Categorized by Insurance Type, 2019-2028E

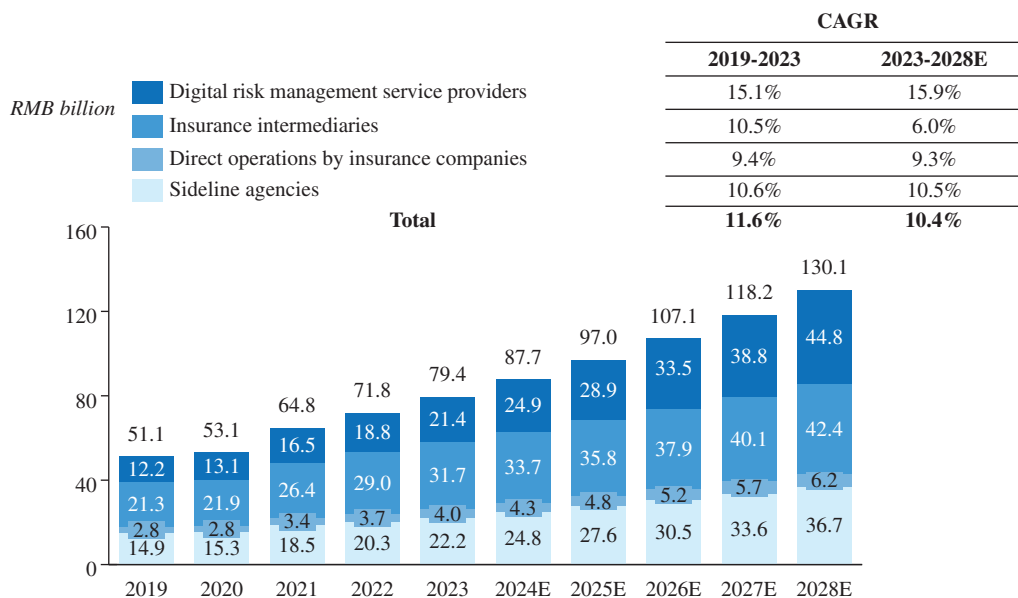


Source: CIC

## INDUSTRY OVERVIEW

Digital risk management solutions providers and insurance intermediaries are the main distribution channels for scenario-based insurance, accounting for 67% of the market in 2023. From 2019 to 2023, market size of the scenario-based insurance sold through digital risk management solutions providers rose from RMB12.2 billion to RMB21.4 billion, with a CAGR of 15.1%. Market size of the scenario-based insurance sold through insurance intermediaries increased from RMB21.3 billion to RMB31.7 billion, representing a CAGR of 10.5%. Digital risk management solutions providers can further strengthen their reach to downstream customers. By 2028, market size of the scenario-based insurance sold through digital risk management solutions providers is expected to reach RMB44.8 billion.

### Market Size of the Scenario-based Insurance Market in the PRC, by Premium Income, Categorized by Sales Channels, 2019-2028E



Source: CIC

### Market drivers of the scenario-based insurance digital risk management solutions market in the PRC

- Increased Risk Management Demands:** Policyholders want their personalized needs to match corresponding insurance products, especially for niche vertical scenarios and scenario-based insurance. For instance, bike-sharing users want cycling insurance to ensure the safety of their trips, while airline passengers wish to purchase protection for the safety and punctuality of their flights. Policyholders hope to receive professional guidance and services, such as outdoor adventure enthusiasts who expect that insurance can provide professional rescue services at the earliest opportunity. This demand has driven digital risk management solutions providers toward scenario-based insurance, offering policyholders convenient, personalized insurance through digital technologies.

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## INDUSTRY OVERVIEW

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- *Technology Integration:* Traditional insurance providers are conservative in product design, focusing on long-term and standardized insurance products with longer development cycles. They also heavily rely on offline agents and their channels for sales, making it challenging to reach users’ needs in specific vertical scenarios. Digital risk management service providers introduce scenario-based insurance plans for different scenarios and collaborate with various consumer platforms and payment systems to embed scenario-based insurance products into users’ consumption and usage processes. This addresses two major pain points of traditional insurance companies: inflexibility and difficulty in reaching users and filling the market gap.
- *Operational Efficiency:* As big data, AI, and blockchain mature, digital risk management solutions providers can process and analyze vast amounts of data, extracting user info from scenarios such as clothing, food, housing, transportation, and healthcare to establish dynamic models and achieve refined risk assessment, product recommendations, and personalized custom services. For example, dynamic pricing models can assist digital risk management providers in adjusting premiums for specific scenario-based insurance according to different weather conditions, more accurately understanding customer needs and risk conditions. Additionally, blockchain technology enhances the transparency of data and insurance terms, enhancing user trust.

### **Market trends of the scenario-based insurance risk management solutions market in the PRC**

- *Customer Acquisition and Conversion:* The channels for insurance products, especially scenario-based insurance, have greatly increased, and individuals can encounter various insurance products in different living and consumption scenarios. By embedding insurance in fragmented scenarios such as shopping, travel, and tourism, providers for scenario-based insurance have emerged and expanded opportunities for customer acquisition and conversion. Compared to the traditional method of offline customer acquisition, internet platforms reduce insurance companies’ customer acquisition costs by about 30%. They also integrate insurance more closely into users’ lives through convenient scenario embedding, thereby promoting the organic use of scenario-based insurance products and services.
- *Integration of Online Data and Offline Insights:* By leveraging online data analysis and offline customer insights, digital risk management solutions providers can understand users’ latent needs, hence optimizing customer experience. Online data such as user click behavior and browsing records analyze users’ risk preferences and insurance needs, enabling precise marketing. Meanwhile, offline insights from living and entertainment scenarios help service providers to explore the possibilities of designing new types of scenario-based insurance products in specific contexts, establish service trust, and provide personalized support to customers. This omnichannel service model enhances customer trust and loyalty to the insurance products and scenario-based insurance risk management solutions, promoting the digital development of scenario-based insurance.



## INDUSTRY OVERVIEW

- Expanded Boundaries of Risk Governance:** With the increasing digitalization demands for digital government, public safety, and social governance, digital risk management services based on insurance technology for scenario-based insurance will gradually widen. Digital risk management solutions providers for scenario-based insurance integrate accumulated data elements with digital technologies, using data analysis and public-private partnerships to embed insurance technology and service models into a broader range of social governance and public safety scenarios, promoting the digital transformation of government governance. For example, in smart cities, data analysis can assess regional risks or provide risk alerts and protection services, helping governments with risk prevention and disaster management.

### COMPETITIVE LANDSCAPE OF INSURANCE DIGITALIZATION SERVICE MARKET OF PRC

#### Competitive analysis of insurance digitalization service providers of PRC

Insurance digitalization service providers in the insurance industry of PRC can be divided into three categories: insurance technology providers, internet insurance intermediaries, and digital risk management solution providers. The advantage of digital risk management solution providers lies in their focus on providing solutions that enable the entire chain of digitalization from product design to sales, operations, and services, supporting digital transformation rather than just giving single-technology or channel support.

#### Competitive landscape of insurance digitalization service providers of PRC, 2023

Players	Features	Market share*
<b>Insurance Technology Providers</b> . . . . .	<ul style="list-style-type: none"> <li>Providers using information technology to support the insurance industry with flexible and diverse business models, from basic hardware to top-level application services.</li> </ul>	~15%
<b>Internet Insurance Intermediaries</b> . . . . .	<ul style="list-style-type: none"> <li>Platform companies and internet giants with insurance agency and brokerage licenses, providing sales channels for insurance companies.</li> </ul>	~60%
<b>Digital Risk Management Solution Providers</b> . . . . .	<ul style="list-style-type: none"> <li>Digital methods that provide risk management solutions, offering technical support such as data analysis and cloud computing to enhance risk control capabilities of insurance companies, facilitating insurance product innovation and intelligent marketing, and optimizing insurance policy distribution channels.</li> </ul>	~25%

Source: Annual Report, CIC

Note:

(1) Market share refers to the proportion of the total revenue of the players of this type in the revenue of the total market in 2023.

## INDUSTRY OVERVIEW

### Ranking of insurance digitalization service providers in the PRC

Our Company is one of the first tier insurance digitalization service providers in the PRC. In 2023, by revenue, it ranked 12th in the PRC’s insurance digitalization market, with a market share of approximately 0.3%. Among digital risk management solution providers, Our Company ranked 3rd, with a market share of approximately 1.8%.

### Top 15 Insurance Digitalization Service Providers in the PRC, by Revenue, 2023

Rank	Name	Classification	Revenue <i>(RMB Billion)</i>	Market share <i>(%)</i>
1 . . .	Company A	Internet insurance intermediary	7.6	3.4%
2 . . .	Company B	Insurance technology provider	6.5	2.9%
3 . . .	Company C	Internet insurance intermediary	5.2	2.3%
4 . . .	Company D	Digital risk management solutions provider	3.3	1.5%
5 . . .	Company E	Internet insurance intermediary	3.0	1.3%
6 . . .	Company F	Internet insurance intermediary	2.6	1.2%
7 . . .	Company G	Internet insurance intermediary	2.1	0.9%
8 . . .	Company H	Digital risk management solutions provider	2.0	0.9%
9 . . .	Company I	Internet insurance intermediary	1.6	0.7%
10 . .	Company J	Internet insurance intermediary	1.2	0.5%
11 . .	Company K	Internet insurance intermediary	0.7	0.3%
<b>12 . .</b>	<b>Our company</b>	<b>Digital risk management solutions provider</b>	<b>0.7</b>	<b>0.3%</b>
13 . .	Company L	Digital risk management solutions provider	0.6	0.3%
14 . .	Company M	Digital risk management solutions provider	0.5	0.2%
15 . .	Company N	Internet insurance intermediary	0.4	0.2%
	<b>Total top 15</b>		<b>38.0</b>	<b>17.1%</b>
	<b>Other total</b>		<b>184.4</b>	<b>82.9%</b>
	<b>Market total<sup>(1)</sup></b>		<b>222.4</b>	<b>100.0%</b>

Source: Annual Report, CIC

Notes:

- (1) The market total refers to the total revenue of insurance digitalization service providers, including commission income from insurance sales channels, revenue from insurance-related technical services, and revenue from insurance digital risk management services.
- (2) Company A, established in 2016, located in Hangzhou, is a subsidiary of an open internet platform, dedicated to providing customers with internet insurances.

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- (3) Company B, established in 1996, located in Beijing, listed on the Shanghai Stock Exchange in 2019, is a high-tech enterprise specializing in the research, application, and service of computer software, also as a provider of IT solutions for China’s insurance industry.
- (4) Company C, established in 2017, located in Guangzhou, provides insurance services to customers through internet technology innovation.
- (5) Company D, established in 2014, located in Beijing, listed on the NASDAQ in 2023, is a technology company focused on digital insurance transactions that has created a service platform by leveraging mobile technology, big data, and cloud computing, combined with a transaction service network.
- (6) Company E, established in 2017, located in Shenzhen, is an insurance subsidiary of an internet technology company that leverages its holding company’s distribution and data capabilities to create and design innovative, affordable insurance products aimed at users of its social media platform.
- (7) Company F, established in 2018, located in Beijing, listed on the New York Stock Exchange in 2021, is committed to providing insurance and healthcare services through medical crowdfunding, insurance markets, and healthcare delivery.
- (8) Company G, established in 2015, located in Shanghai, a prominent digital agent platform for insurance agents in China, and is dedicated to empowering insurance agents with the combination of technology and service solutions.
- (9) Company H, established in 2019, located in Beijing, utilizes AI algorithms and data analysis to capture customers’ potential health insurance needs, while guiding insurance companies to design highly customized products that accurately meet consumer demands.
- (10) Company I, established in 2015, located in Tianjin, primarily offers internet insurance products along with claim assistance and after-sales services.
- (11) Company J, established in 2006, located in Shenzhen, listed on the NASDAQ in 2020, provides a range of insurance products for China’s new generation of customers, with a focus on long-term life insurance products.
- (12) Company K, established in 2004, located in Tianjin, primarily engages in providing clients with services such as insurance consulting, risk assessment, insurance plan design, insurance product sales, and claim assistance.
- (13) Company L, established in 2015, located in Beijing, primarily operates in providing customized insurance services for specific scenarios, including core business segments such as employer, sports, health, and innovative custom insurance.
- (14) Company M, established in 2018, located in Shanghai, is an insurance technology company focused on the health sector, dedicated to integrating health insurance with the medical ecosystem.
- (15) Company N, established in 2017, located in Shenzhen, primarily operates in the fields of insurance science popularization and product evaluation, providing clients with a one-stop service ranging from risk assessment, plan formulation to assistance in claims processing.

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### Top 5 Digital Risk Management Solutions Providers for Insurance in the PRC, by Revenue, 2023

Rank	Name	Classification	Revenue <i>(RMB Billion)</i>	Market share <i>(%)</i>
1 . . .	Company D	Digital risk management solutions provider	3.3	8.5%
2 . . .	Company H	Digital risk management solutions provider	2.0	5.2%
<b>3 . . .</b>	<b>Our Company</b>	<b>Digital risk management solutions provider</b>	<b>0.7</b>	<b>1.8%</b>
4 . . .	Company L	Digital risk management solutions provider	0.6	1.6%
5 . . .	Company M	Digital risk management solutions provider	0.5	1.3%
	<b>Total top 5</b>		<b>7.1</b>	<b>18.3%</b>
	<b>Other total</b>		<b>31.6</b>	<b>81.7%</b>
	<b>Market total<sup>(1)</sup></b>		<b>38.7</b>	<b>100.0%</b>

*Note:*

(1) The market total refers to the total revenue of digital risk management solutions providers targeting the insurance industry.

### Ranking of scenario-based insurance digital risk management solution providers in the PRC

Our Company is a leading digital risk management solutions provider for scenario-based insurance in China. In 2023, based on revenue from digital risk management of scenario-based insurance, Our Company ranked first among providers of digital risk management solutions for scenario-based insurance, with a market share of approximately 4.4%.

## INDUSTRY OVERVIEW

### Top 5 Scenario-based Insurance Digital Risk Management Solutions Providers, by Revenue from Scenario-based Insurance Digital Risk Management, 2023

Rank	Name	Classification	Revenue from Scenario-based Insurance Digital Risk Management <sup>(1)</sup> <i>(RMB Billion)</i>	Market share <i>(%)</i>
1 . . .	<b>Our Company</b>	<b>Digital risk management solutions provider</b>	<b>0.7</b>	<b>4.4%</b>
2 . . .	Company L	Digital risk management solutions provider	0.3	1.9%
3 . . .	Company O	Digital risk management solutions provider	0.1	0.6%
4 . . .	Company P	Digital risk management solutions provider	0.1	0.6%
5 . . .	Company Q	Digital risk management solutions provider	0.1	0.6%
	<b>Total top 5</b>		<b>1.3</b>	<b>8.2%</b>
	<b>Other total</b>		<b>14.6</b>	<b>91.8%</b>
	<b>Total market<sup>(2)</sup></b>		<b>15.9</b>	<b>100.0%</b>

*Source: Annual Report, CIC*

*Notes:*

- (1) Revenue from scenario-based insurance digital risk management includes: (1) revenue from digital risk management service, (2) revenue from insurance technology service, (3) revenue from TPA service.
- (2) The market total includes the total revenue of internet insurance intermediaries, insurance technology providers, and digital risk management solutions providers, with rankings including only digital risk management solutions providers.
- (3) Company O, established in 2015, located in Shanghai, listed on the NASDAQ in 2024, provides insurance brokerage services and MGU (Managing General Underwriter) services.
- (4) Company P, established in 2019, located in Shenzhen, is an internet insurance service platform specializing in customizing industry risk management solutions for enterprises, also leveraging the resources of its holding company to focus on expanding travel scenario insurance business.
- (5) Company Q, established in 2014, located in Beijing, is committed to providing enterprises with employee benefit insurance and health management solutions through technological innovation.

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### Key success factors of digital risk management solution providers in the PRC

- *Scenario Customization:* Leading market players must provide highly customized and scenario-based risk management solutions to adapt to specific risk characteristics of different industries and scenarios. More accurate identification of specific insurance needs in various scenarios is needed to provide personalized and dynamically optimized insurance products and services.
- *End-to-End Digital Integration:* Full-process coverage means that leading digital risk management solution providers can provide end-to-end digital solutions, enhance efficiency, improve customer experience, and analyze data to optimize decision-making. Leveraging big data, AI, blockchain, and cloud computing to drive innovation in the scope and form of insurance products increases the accuracy of insurance pricing, reduces transaction costs, and enhances the efficiency of risk management. Market players must also build strong technical teams across data science, insurance technology, and product development.
- *Data Analytics Capability:* Leading digital risk management solution providers can collect and integrate large amounts of data from multiple scenarios, establish robust data collection systems and consolidate user data to support the identification and analysis of customer insights. And this process provides critical support for risk assessment and decision-making. By utilizing the results of data analysis, they can promote the development of scenario-based insurance products, enhance risk management across various scenarios, and improve customer service for both enterprises and end insureds, thereby gaining a competitive edge in the market.
- *Ecosystem participants Relationships:* Leading market players must establish and maintain client trust, through cooperation with scenario providers, insurance companies, insurance agents, governments, and other parties to develop scenario-based insurance products. Besides they should provide risk assessment and management consulting services, and meet end insureds’ long-term needs by offering high-quality services and solutions.

### Sources and reliability of information

We commissioned CIC, a market research and consulting company founded in Hong Kong and engaged in the provision of professional consulting services across multiple industries, to conduct an analysis and report of China’s digital risk management solutions industry. We have agreed to pay a fee of RMB0.6 million to CIC in connection with the preparation of the CIC Report. We have extracted certain information from the CIC Report in this section, as well as in the sections headed “Summary”, “Risk Factors”, “Business”, “Financial Information” and elsewhere in this Document to provide our potential investors with a more comprehensive understanding of the industry in which we operate. Except as otherwise stated, all data and forecasts in this section come from the CIC Report.

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The information and data collected by CIC have been analyzed, assessed and validated using CIC’s in-house analysis models and techniques. Primary research was conducted via interviews with key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, such as the PRC National Bureau of Statistics and various industry associations.

The market forecasts in the CIC Report are based on the following key assumptions: (1) the overall social, economic and political environment in China is expected to remain stable during the forecast period; (2) related key industry-driving factors are likely to continue to drive the growth of the China’s digital risk management solutions industry, such as technological advancements and supporting policies, during the forecast period and (3) there will be no extreme force majeure or unforeseen industry regulations during the forecast period, which may have a drastic or fundamental impact on the market.

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### REGULATIONS ON CORPORATION AND FOREIGN INVESTMENT

#### The Company Law

On December 29, 1993, the Standing Committee of the National People’s Congress (the “SCNPC”) promulgated the Company Law of the PRC (《中華人民共和國公司法》), which came into effect on July 1, 1994 (subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 (the latest amendments became effective on July 1, 2024)), provides that companies established in China may take the form of limited liability company or a company limited by shares. Each company has the status of a legal person and owns its assets in its own name. The Company Law applies to foreign-invested companies unless relevant laws provide otherwise.

#### FOREIGN INVESTMENT

Investment in the PRC by foreign investors are mainly regulated by the Catalog of Industries for Encouraging Foreign Investment (2022 Edition) (《鼓勵外商投資產業目錄》(2022年版)), which was promulgated by the Ministry of Commerce of the PRC (the “MOFCOM”) and the National Development and Reform Committee of the PRC (the “NDRC”) on October 26, 2022 and took effect on January 1, 2023, and the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)》(2024年版)) (the “Negative List”), which were promulgated by the MOFCOM and the NDRC on September 6, 2024 and took effect on November 1, 2024. The Negative List sets out several restrictive measures in a unified manner, such as the requirements on shareholding percentages and management, for the access of foreign investments in the industries listed in the Negative List and the industries that are prohibited for foreign investment. Any industries not falling in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

On March 15, 2019, the NPC promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “FIL”), which came into effect on January 1, 2020, pursuant to which, it is applicable to the investment activities in the PRC carried out directly or indirectly by foreign natural persons, enterprises or other organizations. The Implementation Rules to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which were promulgated by the State Council on December 26, 2019 and became effective on January 1, 2020, further clarify that the state encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize foreign investment environment, and advances a higher-level opening.



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On December 30, 2019, the MOFCOM and the SAMR jointly promulgated the Measures for Information Reporting on Foreign Investment (《外商投資信息報告辦法》), which became effective on January 1, 2020, pursuant to which, where a foreign investor carries out investment activities in the PRC directly or indirectly, the market regulatory authorities shall forward the investment information submitted by foreign investor or the foreign-invested enterprise to the competent commerce administrative authorities.

### REGULATIONS ON VALUE-ADDED TELECOMMUNICATION SERVICES

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the “Telecommunications Regulations”), which were promulgated by the State Council on September 25, 2000 and latest amended on February 6, 2016, provide a regulatory framework for telecommunications services providers in the PRC. The Telecommunications Regulations require telecommunications services providers to obtain an operating license prior to the commencement of their operations. The Telecommunications Regulations categorize telecommunications services into basic telecommunications services and value-added telecommunications services. According to the Catalog of Telecommunications Business (《電信業務分類目錄》), attached to the Telecommunications Regulations and as latest amended by the Ministry of Industry and Information Technology of the PRC (the “MIIT”) on June 6, 2019, the Internet information services and online data processing and transaction processing services fall within the value-added telecommunications services. The Administrative Measures on Telecommunications Business Operating Licenses (《電信業務經營許可管理辦法》), which were promulgated by the MIIT on March 1, 2009 and amended on July 3, 2017, set forth more specific provisions regarding the types of licenses required to operate value-added telecommunications services, the qualifications and procedures for obtaining such licenses and the administration and supervision of such licenses.

In December 2001, in order to comply with China’s commitments with respect to its entry into the World Trade Organization, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the “FITE Regulations”), which were latest revised in March 2022 and took effect on May 1, 2022. The FITE Regulations set out detailed requirements with respect to capitalization, investor qualifications, and application procedures in connection with establishing a foreign invested telecom enterprise. Pursuant to the FITE Regulations, unless it is otherwise prescribed by the State, foreign investors may hold an aggregate of no more than 50% of the total equity in any value-added telecommunications business in China.

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### REGULATIONS RELATED TO INSURANCE INTERMEDIARY BUSINESS

#### Principal Regulatory Authority and Related Institution Reform

On March 10, 2023, the First Session of the Fourteenth National People’s Congress approved the Decision on Reform Plan for Party and State Institutions (《黨和國家機構改革方案》) (the “Plan”). The Plan stipulates, among others, that the State will establish the NFRA on the basis of the CBIRC, and the PBOC’s daily regulatory responsibilities for financial holding companies and other financial groups and financial consumer protection responsibilities as well as the CSRC’s investor protection responsibilities are transferred to the NFRA. Upon the establishment of the NFRA, the CBIRC will no longer be retained. The Plan further provides to deepen the reform of local financial supervision system by establishing a local financial supervision system mainly composed of local agencies dispatched by the central financial supervision department. The reform tasks at the central level and the local level aim to be completed by the end of 2023 and by the end of 2024 respectively.

The NFRA was officially established on May 18, 2023 and has replaced the CBIRC to become the new insurance regulatory authority in China.

Pursuant to the Provisions on the Functions, Structure, and Staffing of the National Financial Regulatory Administration (《國家金融監督管理總局職能配置、內設機構和人員編制規定》) promulgated by the General Office of the Central Committee of the Communist Party of China, General Office of the State Council and implemented on October 29, 2023, the functions of the NFRA include, among others:

- implementing unified supervision and administration of the financial sector except for the securities industry in accordance with laws and strengthening institutional supervision, behavioral supervision, functional supervision, look-through supervision and continuous supervision to maintain the legal and stable operation of the financial sector;
- implementing access management for insurance institutions in accordance with laws and supervising their corporate governance, risk management, internal control, capital adequacy, solvency, business conduct and information disclosure;
- conducting on-site inspections and off-site supervision of insurance institutions, conducting risk and compliance assessments and investigating and imposing punishment on violations of laws and regulations in accordance with laws; and
- carrying out look-through supervision of insurance institutions and formulating an equity supervision system; examining and approving the modification of shareholders, actual controllers and equity in accordance with laws and investing shareholders, actual controllers, persons acting in concert and ultimate beneficiaries in accordance with laws and taking relevant measures or imposing penalties on violations of laws and regulations.

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### Regulatory and Legal Framework

The legal framework for monitoring and administering insuring activities within the territory of the PRC is underpinned by laws and regulations including the Insurance Law of the PRC (《中華人民共和國保險法》), or the PRC Insurance Law, and administrative regulations, departmental provisions and other regulatory documents stipulated in accordance with the PRC Insurance Law.

The PRC Insurance Law, which took effect on October 1, 1995 and last amended on April 24, 2015, is the most important law in the regulatory and legal framework for the PRC insurance industry. The PRC Insurance Law provides that an insurance broker is an entity that, in the interest of the applicant, provides intermediary services between the applicant and the insurer for the conclusion of an insurance contract and receives a commission in accordance with relevant laws. An insurance agent shall be an institution or an individual which charge commissions from insurers and operate insurance business on behalf of insurers to the extent authorized by insurers. Insurance agencies include specialized insurance agencies which only operate the insurance agency business and concurrent-business insurance agency insurance agencies which concurrently operate the insurance agency business and other businesses. An insurance broker or insurance agency shall obtain an Insurance Brokerage License and an Insurance Agency License before it engages in insurance brokerage business or insurance agency business, respectively.

Since the promulgation and implementation of the PRC Insurance Law in 1995, the insurance supervision and regulatory authority has promulgated a series of departmental rules and regulations and other regulatory documents pursuant to the PRC Insurance Law, covering almost all aspects of insurance operations. Regarding the establishment of insurance brokers, there are other important laws and regulations besides the PRC Insurance Law, including the Regulatory Provisions on Insurance Brokerages (《保險經紀人監管規定》) (the “Insurance Brokerages Provisions”), which became effective on May 1, 2018. The Insurance Brokerages Provisions specify provisions regarding market access, operation rules, exit from market, industry self-discipline, monitoring and inspection and legal obligations for insurance brokers. Regarding the insurance agency business, besides the PRC Insurance Law, insurance agents shall comply with the Regulatory Provisions on Insurance Agents (《保險代理人監管規定》) (the “Insurance Agents Provisions”), promulgated on November 12, 2020, and became effective on January 1, 2021, which specify provisions regarding market access, office qualifications, practitioners, operation rules, market exit, and legal liabilities for insurance agents. Regarding the insurance adjustment assessment business, the Regulatory Provisions on Insurance Adjusters (《保險公估人監管規定》) (the “Insurance Adjusters Provisions”), which was promulgated on February 1, 2018, and became effective on May 1, 2018, provides provisions on operating conditions, operation rules, market exit, industrial self-regulation and legal liabilities for insurance adjusters.

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The Administrative Measures for the Licenses of Banking and Insurance Institutions (《銀行保險機構許可證管理辦法》), which was issued by the CBIRC on April 28, 2021, and took effect from July 1, 2021, stipulate that banking and insurance institutions, shall, when conducting financial business, legally obtain the applicable license (namely, a financial license, an insurance license or an insurance intermediary license) and a business license issued by the administration for market regulation. Wherein, insurance intermediary licenses (保險中介許可證) shall apply to insurance agency group (holding) companies, insurance brokerage group (holding) companies, professional insurance agency companies, insurance brokerage companies, concurrent-business insurance agencies and other insurance intermediaries.

On October 28, 2021, the CBIRC promulgated the Measures for the Implementation of Administrative License and Recordation for Insurance Intermediaries (《保險中介行政許可及備案實施辦法》), which became effective on February 1, 2022, clarifying the conditions and procedures for administrative approval and filing matters for the insurance intermediary business.

### ***Market Admittance***

#### *Establishment of Insurance Brokers and Acquisition of Qualification for Operating Insurance Brokerage Business*

Pursuant to the PRC Insurance Law and the Insurance Brokerages Provisions, to operate insurance brokerage business within the territory of the PRC, an insurance brokerage company shall satisfy the requirements stipulated by the China Insurance Regulatory Commission (the “CIRC”) (the predecessor of the CBIRC) and obtain a license to operate insurance brokerage business. The minimum registered capital of an insurance brokerage company that conducts business in regions not limited to the provincial level is RMB50 million. The minimum registered capital of an insurance brokerage company that conducts business within the provincial level is RMB10 million. The registered capital of an insurance brokerage company must be fully paid in cash.

An insurance broker applying for operating insurance brokerage business shall, after obtaining the business license, submit without delay the application materials as required by the NFRA and disclose the relevant information. The NFRA and its local branches shall grant administrative licenses in accordance with their statutory responsibilities and procedures. If the NFRA and its local branches permit an applicant to operate the insurance brokerage business in accordance with the law, they shall issue licenses to the applicant. An applicant can only carry out the insurance brokerage business after it obtains the license, and it shall register the relevant information, and it shall register the relevant information in a regulatory information system as prescribed by the NFRA in time. In addition, an insurance broker shall have its own business premise and set up a designated account book to record the income and expenditure of the insurance brokerage business. An insurance broker shall open an independent designated account for client funds. The following funds shall only be deposited in the designated account

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for client funds: (i) insurance premiums paid by policyholders to an insurance company; and (ii) surrender value and pay-outs collected on behalf of policyholders, insured parties and beneficiaries. An insurance broker shall open an independent account for commissions it collects.

To operate insurance brokerage business, an insurance brokerage company shall satisfy the following conditions: (i) its shareholders meet the requirements stipulated in the Insurance Brokerages Provisions, and make capital contribution with their self-owned, true and lawful funds instead of bank loans or non-self-owned funds in various forms; (ii) its registered capital meets the requirements of Article 10 of the Insurance Brokerages Provisions and the registered capital shall be entrusted in accordance with the relevant provisions of the NFRA; (iii) its business scope recorded in the business license is in compliance with the relevant provisions of the NFRA; (iv) its articles of association are in conformity with the relevant provisions; (v) its company name is in conformity with the Insurance Brokerages Provisions; (vi) its senior managers meet the qualification requirements stipulated in the Insurance Brokerages Provisions; (vii) it has established a governance structure and internal control system as stipulated by the NFRA, and a scientifically and reasonably feasible business mode; (viii) it has a fixed premise in line with its business scale; (ix) it has a business and financial information management system as stipulated by the NFRA; and (x) other conditions specified by laws and administrative regulations or prescribed the NFRA.

According to Measures for the Implementation of Administrative License and Recordation for Insurance Intermediaries, the NFRA or its local office shall issue a license to an applicant if the NFRA or its local office makes a decision to grant approval. If a decision of disapproval is made, the reasons shall be explained. A company that survives shall modify its registration of the name, business scope, bylaws and other items according to the law, to ensure that there is no “insurance brokerage” in its name.

### *Requirements for Establishing New Branches*

Pursuant to the Insurance Brokerages Provisions, a newly-established branch of an insurance brokerage company operating insurance brokerage business shall satisfy the following criteria: (i) the insurance brokerage company and its branches were not subject to criminal punishment or major administrative punishment in the preceding year; (ii) the insurance brokerage company and its branches are not under investigation by the relevant authorities for an alleged illegal act or criminal offense; (iii) the insurance brokerage company and its branches have not encountered a mass complaint visit by 30 or more persons or an unusual mass policy surrender by 100 or more policyholders in the preceding year; (iv) a branch established within the past two years has not exited from the market during its first year of operation; (v) have a proper branch management system; (vi) newly-established branch shall have business premises, business and financial information systems which satisfy the requirements, and have other facilities compatible with its businesses; (vii) the key person in-charge of a newly-established branch satisfies the appointment criteria stipulated in these Provisions; and (viii) any other criteria stipulated by the CIRC.

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Furthermore, pursuant to the Insurance Brokerages Provisions, the Insurance Agents Provisions and the Insurance Adjusters Provisions, if an insurance brokerage company, a specialized insurance agency or an insurance adjustment assessment institution is identified by the relevant PRC Governmental Authorities as a subject of joint punishment for dishonesty due to a serious dishonest act and shall be punished in the insurance sector, or has any other bad record of serious dishonesty within the past five years, it shall not establish a new branch to operate insurance brokerage businesses, insurance agency business or public insurance adjustment businesses.

### *Internal Governance*

#### *Qualification Management for Directors, Supervisors and Senior Management Personnel*

According to the Insurance Brokerages Provisions and the Insurance Agents Provisions, senior officers of an insurance broker and a specialized insurance agency refer to the following persons: (i) the general manager and deputy general manager of an insurance brokerage company and a specialized insurance agency; (ii) the principals of provincial branch offices; and (iii) other personnel who exercises important authority over the operation and management of the company. Senior officers of an insurance broker and a specialized insurance agency shall obtain the employment qualification approved by the local branches of NFRA prior to assumption of duty.

The senior officers of an insurance broker and a specialized insurance agency shall meet the following conditions: (i) having college degree or above; (ii) having been engaged in finance-related work for more than three years or having been engaged in economics-related work for more than five years; (iii) having the operation and management ability necessary for performing duties, and being familiar with insurance laws, administrative regulations and the relevant NFRA provisions; and (iv) being honest and trustworthy and of good character. Persons who have been engaged in finance-related work for more than ten years are not subject to clause (i) above. Principals of branches other than the provincial branch offices to be employed by an insurance broker or a specialized insurance agency shall satisfy the conditions listed above.

Pursuant to the Insurance Brokerages Provisions, any person who falls under any of the following circumstances may not serve as senior officers of an insurance broker and principals of branches other than provincial branch offices: (i) serving as a director, supervisor or senior officer of an insurance company or insurance intermediary whose license has been revoked for not more than three years from the revocation date due to violations of law, and being individually liable or being responsible for leadership for the license revocation; (ii) being a director, supervisor or senior officer of a financial institution whose qualification has been canceled for not more than five years from the date of disqualification due to illegal activities or discipline misconduct; (iii) being prohibited from entering the financial industry for a certain period of time by any financial regulator and the said period is not yet ended; (iv) having been warned or fined by any financial regulator for not more than two years from the date of such warning or fine; (v) being investigated by any judiciary, discipline inspection and

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supervision departments or financial regulators; (vi) being subject to joint punishments by the relevant state entities and shall be punished in the field of insurance due to serious dishonesty, or being involved in other serious dishonesty records within the recent five years; or (vii) other circumstances specified by laws and administrative regulations and by the NFRA.

Without the approval of the shareholders’ meeting or the general meeting of shareholders, no senior officers of an insurance broker or principals of branches other than provincial branch offices may work at the same time at any institution with conflict of interest.

### *Informatization Management*

The CBIRC released the Measures for the Regulation of Informatization of Insurance Intermediaries (《保險中介機構信息化工作監管辦法》) on January 5, 2021, which came into effect on February 1, 2021, to regulate informatization work by strengthening the regulation of insurance intermediaries, improving operating and management level of insurance intermediaries, and promoting the high-quality development of the insurance intermediary industry.

Insurance intermediary institutions shall, in accordance with regulatory requirements, report regulatory matters and submit regulatory data to the NFRA and its local counterparts in a timely manner through the relevant information system of insurance intermediary supervision. In addition, Insurance intermediaries shall, including without limitation (i) establish and improve information security management systems, deploy and implement information security measures such as border protection, virus protection, intrusion detection, data backup, and disaster recovery to ensure business continuity and data security; (ii) reasonably determine the security level of information systems in accordance with the relevant national cyber security level protection regulations, perform protections in accordance with the national cyber security level protection related standards, and obtain the corresponding national cyber security level protection certification; (iii) take protective measures for important data to ensure the safety of data in the process of collection, storage, transmission, use, provision, backup, restoration, and destruction, use data legally while strictly preventing data leakage, tampering and damage, and ensure data integrity, confidentiality and availability; (iv) follow the principles of lawfulness, fairness and necessity, comply with relevant national laws and administrative regulations, and comply with national standards related to personal information security when collecting, processing and applying data containing personal information; and (v) carry out informatization training, information security training and confidentiality education regularly, sign information security and confidentiality agreements with employees, and urge employees to perform information security and confidentiality duties corresponding to their jobs.

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### *Anti-money Laundering*

Pursuant to the Notice of Strengthening Anti-money Laundering in Insurance Industry (《關於加強保險業反洗錢工作的通知》) promulgated by the CIRC on August 10, 2010, and Administrative Measures for Anti-money Laundering Agenda in Insurance Industry (《保險業反洗錢工作管理辦法》) promulgated by the CIRC on September 13, 2011 and became effective on October 1, 2011, the NFRA shall organize, coordinate and direct anti-money laundering effort in insurance industry.

Pursuant to the Notice of Strengthening Anti-money Laundering in Insurance Industry, equity investments in insurance intermediaries and equity structure changes therein should be in line with relevant requirements on fund sources in anti-money laundering laws and regulations of the PRC.

Newly established insurance intermediaries and branch institutions and those restructured or reformed should meet anti-money laundering criteria specified by the CIRC, including (i) establishment of system for client identity recognition, client identity and transaction record keeping, training and education, auditing, confidentiality, internal control system and operation protocols including those facilitating monitoring and inspection and administrative investigation; (ii) dedicated anti-money laundering posts and job descriptions, manning and training for such posts; and (iii) other requirements according to regulatory provisions.

Application materials for ratifying qualification of senior management of insurance intermediaries should include statement by application disclaiming major administrative penalty related to anti-money laundering for the past two years; if the applicant has any work experience in an overseas financial institution, statement disclaiming major administrative penalty related to anti-money laundering for the past two years in the place of the financial institution. Senior management of insurance institutions and intermediaries should conscientiously perform their anti-money laundering duties of their purview. Principle leaders of insurance institutions and intermediaries shall take the responsibility for effective implementation of anti-money laundering internal control system. All insurance institutions and intermediaries should periodically collect and consolidate anti-money laundering information, keep track of anti-money laundering initiatives, attach great importance to money laundering risk prevention and mitigation, extend conscientious efforts in anti-money laundering training and education, to improve anti-money laundering awareness and competence.

According to the provisions of the Administrative Measures for Anti-money Laundering Agenda in Insurance Industry, insurance brokerage companies shall, base on the real-name system for policies and according to the work principles that client materials are complete, transaction records are available for inspection and circulation of funds is regulated, effectively enhance the internal control level of anti-money laundering. Insurance brokerage companies shall establish an internal control system for anti-money laundering and prohibit funds which have an illegal source from investing into their equity. The senior management officers of insurance brokerage companies shall understand laws and regulations on antimoney laundering.



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Specialised insurance agencies and brokers should carry out anti-money laundering training and education, properly manage major money laundering cases involving the company, facilitate anti-money laundering monitoring and inspection, administrative investigation and investigation of criminal activities involving money laundering, and keep confidential any information related to lawful anti-money laundering initiatives.

### *Market Behaviors*

#### *Business Scope of Insurance Intermediaries*

According to the Insurance Brokerages Provisions, an insurance broker when engaging in insurance brokerage business, may not exceed the business scope and business area of the underwriter. An insurance broker may operate all or part of the following businesses: (i) draft insurance plans for policyholders, select insurance companies and process insurance application formalities; (ii) assist insured parties or beneficiaries in making claims; (iii) carry out reinsurance brokerage businesses; (iv) provide disaster prevention or loss prevention or risk evaluation and risk management advisory services to entrusting parties; and/or (v) any other insurance brokerage-related businesses stipulated by the NFRA. Where the NFRA otherwise provides for any insurance brokerage business involving coinsurance or underwriting insurance at another locality and master policy, such provisions shall prevail.

An insurance broker and its practitioners may not sell non-insurance financial products, except for non-insurance financial products approved by the relevant financial regulatory authorities. Before selling non-insurance financial products, an insurance broker and its practitioners shall have the necessary qualifications.

#### *Services and Products Provided by Insurance Intermediaries and Their Practitioners*

Pursuant to the Basic Service Standards for Insurance Brokers (《保險經紀機構基本服務標準》) promulgated by the CIRC on January 16, 2013, the service steps and content of insurance brokers for insurance clients (consumers) include but not limited to the establishment of insurance brokerage relationship, risk assessment, preparation of insurance purchase plan, selection of insurance companies for the clients, procedures for taking out insurance policies, services during the insurance period, assistance in claims and complaint settlement.

Aiming to maximize benefits for clients in providing services, insurance brokers shall comply with laws, administrative regulations and the relevant provisions of the CIRC, act in good faith with professional competency and due diligence, fully perform the notification obligations, disclose all the relevant information and protect the privacy and business secrets of clients. Employees in such industry shall fulfill the legitimate qualification conditions with good occupational ethics and strong practice capability. An insurance broker shall: (i) notify and disclose all the necessary details in establishing insurance brokerage service relationship with clients; (ii) be professional in risk assessment for clients with due care; (iii) prepare complete and proper insurance purchase plan for clients; (iv) put client interests first in choosing insurance companies; (v) be meticulous and proper in going through insurance

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purchase formalities for clients; (vi) provide considerate and complete services during insurance period; (vii) be fast and dutiful in assisting clients' claims (while only licensed insurance companies should have the right to decide on claim settlement); and (viii) deal with complaints in an effective and timely manner.

According to the Insurance Brokerages Provisions and the Insurance Agents Provisions, an insurance broker, an insurance agent, and their practitioners may not have the following acts in handling insurance business: (i) cheating the insurer, the applicant, the insured or the beneficiary; (ii) concealing any important circumstances relating to the insurance contract; (iii) obstructing the applicant to fulfill the obligation of telling the truth, or inducing the applicant not to fulfill the same; (iv) granting or promising to grant to the applicant, the insured or the beneficiary any interest other than that stipulated in the insurance contract; (v) compelling, inducing the applicant to enter or restricting from entry into an insurance contract by using its administrative power, position or the advantage of their profession and other improper means; (vi) forging or altering the insurance contract without authorization or providing false evidence for parties to the insurance contract; (vii) misappropriating, retaining or embezzling the premiums or insurance benefits; (viii) making use of the advantages of the business to obtain improper benefits for other institutions or individuals; (ix) defrauding insurance benefits in collusion with the applicant, the insured or the beneficiary; or (x) disclosing trade secrets of the insurer, the applicant and the insured known during the business activities. An insurance broker, an insurance agent and their practitioners shall not solicit or accept any remuneration or other property other than those as agreed in contract and granted by any insurance company or its staff or take advantage of executing the insurance brokerage business to obtain other illegal benefits in the course of carrying out the insurance brokerage/agency business.

In addition, an insurance broker shall prepare standardized information booklets for customers in the course of conducting businesses. The information booklet for customers shall include the following matters: (i) name, business premises, scope of business and contact details of the insurance broker; (ii) the method for obtaining of remuneration by the insurance broker, including information on whether the insurance broker collects commission from the insurance company etc.; (iii) whether the insurance broker and its senior management personnel are a related party of an insurance company or any other insurance intermediary which relate to its brokerage businesses; and (iv) complaint channel and dispute resolution method. Unless as otherwise prescribed by the NFRA, an insurance agency shall, during the process of engaging in business, develop and produce the client notification. A client notification shall, at a minimum, include the following: (i) name, business premise, scope of business and contact methods of the insurance agency and the insurance company; (ii) whether there is any affiliation relationship between the senior executives of a full-time insurance agency and the insurance company for which agency services are provided or another insurance intermediary institution; and (iii) complaint channel and dispute resolution method.

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### *Management of Practitioners with Insurance Intermediaries*

Pursuant to the CIRC Notice on Relevant Issues Pertaining to Administration of Practitioners with Insurance Intermediaries (《關於保險中介從業人員管理有關問題的通知》), which was promulgated and became effective on August 3, 2015, before an insurance intermediary practitioner begins to practice, his/her company shall handle the practicing registration in the insurance intermediary regulatory information system of the NFRA for him/her, and the qualification certificate shall not be served as necessary condition for administration of practicing registration.

According to the Insurance Brokerages Provisions and the Insurance Agents Provisions, an insurance broker and a specialized insurance agency shall register the practicing of its practitioners, who can only have his/her practicing records registered with only one insurance broker or insurance agency, and shall employ practitioners who have good conduct, and shall not employ a person who: (i) has been subject to criminal punishment due to corruption, bribery, encroachment of property, misappropriation of property or disruption of the order of the socialist market economy, and a five-year period has not elapsed since the completion of the execution of the sentence; (ii) is barred from the financial industry by the financial regulatory authority for a certain period of time and such period has not expired yet; (iii) has been identified by the relevant State agency as a subject of joint punishment for dishonesty due to a serious dishonest conduct and shall be punished in the insurance sector, or he/she has any other bad record of serious dishonest conduct within the past five years; or (iv) any other circumstances stipulated by laws, administrative regulations and the CIRC. An insurance broker and a specialized insurance agency shall complete practice registration for their practitioners and manage practice registration information by promptly registering personal information and scope of authorization, recording the information of punishment, termination of engagement/entrustment. If a practitioner changes his or her insurance broker or insurance agent, the new insurance broker or insurance agent shall register the practitioner, and the original insurance broker or insurance agent shall promptly cancel the previous registration.

In 2019, the CBIRC has deployed and carried out the practice registration and audit work for the practitioners of insurance intermediaries, in order to improve the management of practitioners of insurance intermediaries. On May 12, 2020, the CBIRC enacted the Notice of the General Office of the CBIRC on Strengthening the Management of Practitioners of Insurance Intermediaries (《中國銀保監會辦公廳關於切實加強保險專業中介機構從業人員管理的通知》), which requires the insurance intermediaries to meet the following conditions: (i) fully assuming the responsibility of the management; (ii) strengthening the overall management of practitioners; (iii) strictly controlling the recruitment, training and integrity management of practitioners; and (iv) establishing a grading system of sales ability of practitioners. The NFRA shall also strictly supervise the management of practitioners of insurance intermediaries and make insurance intermediaries accountable.

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### *Reward and Incentive*

Pursuant to the Notice on Strictly Regulating Incentive Measures of Insurance Intermediaries (《關於嚴格規範保險專業中介機構激勵行為的通知》) promulgated by the CIRC on November 15, 2010, professional insurance intermediaries may only implement equity incentive measures for sales personnel of more than two consecutive years of practice experience within such intermediaries, and may not arbitrarily expand the scope of equity incentives for rapid business growth. In implementing incentives, professional insurance intermediaries may not conduct deceptive or misleading promotion for the incentive program, including exaggeration or arbitrarily promising uncertain earning from future listing; may not induce sales personnel to purchase self-insurance or purchase insurance with borrowings for incentives; may not offer client equity in name of incentive as consideration for illicit interests.

According to the Circular on Further Regulating the Incentive Plans of Professional Insurance Intermediary Institutions (《關於進一步規範保險專業中介機構激勵行為的通知》), promulgated by the CIRC on February 28, 2012, all professional insurance intermediary institutions shall not, by way of connecting the equity incentive plan with their listing and exaggerating proceeds brought by their listing and other means, induce any of the general public to become a salesperson, or induce salespersons or clients to buy insurance products which are inconsistent with their actual insurance needs.

### *Management of Insurance Sales*

Pursuant to the Provisional Measures for Retrospective Administration of Insurance Sales Practices (《保險銷售行為可回溯管理暫行辦法》) promulgated by the CIRC on June 28, 2017 and implemented on November 1, 2017, “retrospective administration of insurance sales practices” means that insurance companies and insurance intermediaries record and retain the key links involved in the insurance sales process through collecting audio-visual materials and electronic data via audio and video recording or other technical means, so as to ensure that sales practices can be replayed, important information can be accessible and liabilities can be identifiable. When selling insurance products with natural persons as the insurance policyholder, insurance intermediaries shall carry out such retrospective administration of insurance sales practices, with the exception of group insurance products.

Pursuant to the Administrative Measures for Insurance Sales Practices (《保險銷售行為管理辦法》) (the “Measures”) promulgated by the NFRA on September 20, 2023 and took effect on March 1, 2024, sales practices conducted by insurance intermediaries (for the purpose of the Measures, insurance intermediaries include insurance agents and insurance brokers) and insurance sales personnel as entrusted by insurance companies or in cooperation with insurance companies for the purpose of concluding insurance contracts shall comply with the measures. Insurance sales practices are divided into three categories based on the stage when the practices are conducted, namely, the pre-insurance sales practices, in-process insurance sales practices and post-insurance sales practices. Such division expands the scope of insurance sales practices to include, among others, activities such as creating an environment for the conclusion of insurance contracts, preparing conditions and soliciting insurance contract counterparties. The

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Measures explicitly prohibit any other entities or individuals other than insurance companies, insurance intermediaries or insurance sales personnel from conducting any insurance sales practices. Furthermore, the insurance intermediary shall strengthen its management of all stage of the insurance sales practices. For instance, the insurance sales promotion conducted by insurance intermediaries shall not exceed in form and substance the business scope specified in their business permits. Insurance intermediaries shall not enter into insurance contracts with policyholders using forced tying, default checkboxes on its information systems or web pages. Furthermore, an archives management system shall be established by insurance intermediaries to properly preserve business files, accounting books, personnel files, insurance materials as well as audio-visual materials and other archival materials generated through retrospective management. When an insurance company or insurance intermediary sells a new type of life and health insurance product, it shall remind the insurance applicant of the uncertainty of insurance policy benefits and accurately and comprehensively remind the insurance applicant of the relevant risks; where relevant laws, administrative regulations and regulatory provisions require an assessment of the insurance applicant's risk tolerance, the insurance company or insurance intermediary shall carry out such assessment and sell appropriate insurance products based on the assessment results.

### *Financial Marketing Campaigns*

Pursuant to the Notice on Further Regulating Financial Marketing Campaigns (《關於進一步規範金融營銷宣傳行為的通知》) promulgated by the PBOC, the CBIRC, the CSRC and the SAFE on December 20, 2019 and took effect on January 25, 2020, when market players conduct insurance marketing and promotion, they should comply with relevant requirements, among others, the following: (i) it is not allowed to carry out marketing and promotion for financial products or financial services in a fraudulent or misleading manner; (ii) it is not allowed to carry out financial marketing and promotion in a manner that undermines fair competition; (iii) it is not allowed to carry out financial marketing and promotion by using the government's credibility; (iv) it is not allowed to violate financial consumers' right to know; (v) it is not allowed to carry out improper financial marketing and promotion via the Internet; (vi) it is not allowed to send financial marketing and promotion information to financial consumers in violation of provisions.

### *Insurance Premium and Commission Collection*

Pursuant to the Insurance Brokerages Provisions, an insurance brokerage shall open an independent account for commissions collected. Insurance brokerages engaging in insurance brokerage businesses which involve turning over insurance premiums to insurance companies and collection of commissions shall agree with the insurance company pursuant to the law on the timeframe and default compensation liability for turning over insurance premiums and payment of commissions.

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On October 12, 2021, the General Office of the CBIRC issued the Notice on Further Regulating Matters Concerning Internet Life and Health Insurance Business (《關於進一步規範保險機構互聯網人身保險業務有關事項的通知》), pursuant to which for an Internet personal insurance product with an insurance period of one year or less, the expected surcharge rate shall not be higher than 35%; for an Internet personal insurance product with an insurance period of more than one year, the expected surcharge rate in the first year shall not be higher than 60%, and the average surcharge rate shall not be higher than 25%.

On September 17, 2015, the CIRC issued the Opinion of CIRC on Deepening the Reform of the Insurance Intermediary Market (《中國保監會關於深化保險中介市場改革的意見》) to require implementing the registration and filing system for insurance intermediaries’ premium collection accounts and commission accounts.

### *Regulatory Inspection*

According to the Insurance Brokerages Provisions, the Insurance Agents Provisions and the Insurance Adjusters Provisions, local counterparts of the NFRA shall be responsible for the supervision of insurance brokers, insurance agency and insurance adjusters within their jurisdictions in the principle of territoriality. The local counterparts of the NFRA shall pay attention to the regulation of the behavior of insurance brokers, insurance agency and insurance adjusters within their jurisdictions, conduct on-site inspection and off-site supervision in accordance with the law, and implement administrative punishments and other regulatory measures.

Pursuant to the Measures for the Regulation of Internet Insurance Business (《互聯網保險業務監管辦法》) promulgated by CBIRC on December 7, 2020 and implemented on February 1, 2021, insurance institutions shall submit a report on its internet insurance business operation of the previous year to the internet insurance regulation-related information system prior to April 30 of each year. The report contents shall include, but not be limited to: basic business information, marketing mode, information on cooperation with relevant institutions (including technical support and customer service institutions), cybersecurity construction, protection of consumers’ rights and interests as well as complaint handling, information system operation and failure, compliance management and external compliance auditing. Insurance institutions shall, on a regular basis, submit internet insurance business regulatory data and statements in accordance with the relevant requirements of the NFRA.

### *Internet Insurance Business*

#### *Qualifications for Operating Internet Insurance Business*

Pursuant to the Measures for the Regulation of Internet Insurance Business, internet insurance business shall be carried out by insurance institutions established in accordance with the law and no other organization or individual may operate internet insurance business. Insurance institutions including specialized insurance agencies operating internet insurance business, i.e. concluding insurance contracts and providing insurance services based on

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network, shall observe relevant provisions and may not damage legal rights and interests of insurance consumers or public interests. No insurance institution may carry out internet insurance business beyond the scope of business specified in its insurance business permit. An insurance institution which conducts internet insurance business shall be subject to centralized operation and unified management by its head office by establishing a unified and centralized business platform, business process and management systems. Any entities without insurance licenses or insurance intermediary licenses are prohibited to conduct internet insurance business, including but not limited to the following commercial conduct: (i) providing insurance product consulting services; (ii) conducting comparison of insurance products, trial calculation of premiums or quotation comparison; (iii) designing insurance application plans for policyholders; (iv) going through insurance application formalities by proxy; and (v) collecting premiums by proxy.

Insurance institutions which conduct internet insurance business along with its self-operated network platform shall meet the following conditions:

- its service access place is located within the territory of the PRC. If its self-operated network platform is a website or mobile application, it shall legally go through the formalities for filing of internet information services with the administrative department for the internet industry and obtain a filing number. If its self-operated network platform is not a website or mobile application, it shall comply with relevant laws and regulations and meet the qualification requirements of the competent department for the relevant industry;
- it has an information management system and core business system that can support its internet insurance business operation, which can be effectively isolated from its other unrelated information systems;
- it has refined cybersecurity monitoring, information notification, emergency disposal working mechanisms as well as such cybersecurity protection means as refined perimeter protection, intrusion detection, data protection and disaster recovery;
- it implements the national classified cybersecurity protection system, carries out filing of cybersecurity classification, conducts classified protection evaluation on a regular basis, and implements security protection measures for the corresponding class; in terms of self-operated network platforms with insurance sales or insurance application function, as well as information management systems and core business systems that support their operation, relevant self-operated network platforms and information systems shall be under security protection of Class III (第三級信息系統安全等級保護) or above;

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- it has a legal and compliant marketing model, and has established an operation and service system that meets the needs for internet insurance operation, complies with the characteristics of internet insurance users and supports its business coverage regions;
- it has established or designated its internet insurance business management department staffed by appropriate professionals, appointed a senior executive to act as the principal in charge of its internet insurance business, and designated the principal of each self-operated network platform;
- it has a sound internet insurance business management system and operating procedures;
- it shall be a national specialized insurance intermediary with its operating area not limited to the province where the business license of its head office is registered while complying with the relevant provisions of the NFRA on classified regulation of specialized insurance intermediaries; and
- other conditions prescribed by the NFRA.

Pursuant to the General Office of the CBIRC issued the Notice on Further Regulating Matters Concerning Internet Life and Health Insurance Business, internet life and health insurance products include accident insurance, health insurance (except nursing insurance), term life insurance, ordinary life insurance with a policy period of more than ten years (except term life insurance) and ordinary annuity insurance with a policy period of more than ten years, and other life and health insurance products stipulated by the NFRA. Pursuant to the notice, internet life and health insurance products that do not meet the requirements thereof are prohibited from being offered online, and public display of, or direction to, hyperlinks to the webpages of placing orders on the internet of such internet life and health insurance products are prohibited as well. Insurance intermediaries that conduct internet life and health insurance business shall strengthen the system development and have operations and service capabilities that meet the requirements set forth in this notice. Insurance companies entrusting internet life and health insurance business to insurance intermediaries shall select national-level institutions as insurance intermediaries. Where integrated online and offline life and health insurance business is involved, neither shall internet life and health insurance products be used, nor shall business areas be extended to areas where branches have not been formed.

### *Traceability Management of Internet Insurance Sales Behavior*

In order to standardize and strengthen the traceability management of Internet insurance sales, protect consumers’ basic rights and promote healthy development of online insurance business, the CBIRC promulgated the Notice of the CBIRC on Regulating the Traceability Management of Internet Insurance Sales (《中國銀保監會關於規範互聯網保險銷售行為可回溯管理的通知》) on June 22, 2020, which came into effect on October 1, 2020.



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According to the Notice of the CBIRC on Regulating the Traceability Management of Internet Insurance Sales, insurance institutions are allowed to sell commercial insurance products with natural persons as the insurance policyholder on their own online platform, and they shall implement retrospective management of Internet insurance sales. Insurance institutions shall record and keep operation track of each applicant and insured on the sales page. The operation track shall include the time whenever an applicant or insured click on, enter, fill in, or leave the sales page as well as any other relevant contents. Where an insurance institution sells the following insurance products, it shall display the content that may affect the validity of the policy and that may exempt the insurance company from liability as required, including but not limited to: (i) where an insurance institution sells new type of life and health insurance products, the risk warning on the uncertainty in policy interest shall be added; (ii) where an insurance institution sells health insurance products, such content as the starting time and duration of the insurance liability waiting period and the impact thereof on the rights and interests of the insurance applicant, designated medical institution, whether to guarantee the renewal of insurance and the effective time of such renewal, whether to renew the insurance automatically, the principle for medical cost compensation, and whether to adjust the premium rate shall be added; and (iii) where an insurance institution sells insurance products with clauses on the cooling-off period, clauses on the cooling-off period shall be added. Insurance institutions that are still unqualified after such Notice comes into force shall immediately suspend the relevant online insurance sales business.

### *Information Disclosure*

According to the Measures for the Regulation of Internet Insurance Business, insurance institutions operating internet insurance business shall set up on its official website online column dedicated to insurance information disclosure. The sales or details display webpage of internet insurance products shall include the following contents:

- the names of insurance products (clause names and publicity names), approval document number for products subject to examination and approval, record-filing number or product registration number of products subject to record-filing, number of reported documents or clause number;
- the insurance clauses and premiums (or link), with highlights and explanations of the clauses on the exemption of insurance companies from liability, and highlights with the conditions and procedures for claim settlement, as well as the cooling-off period, waiting period, fee deduction, surrender losses, cash value of insurance policies and other key contents in insurance contracts in an appropriate way;
- if an insurance product is a new type of life and health insurance product such as unit-linked insurance and universal insurance, the relevant information shall be clearly indicated in accordance with the relevant provisions of the NFRA on information disclosure for new types of products, and words indicating uncertainties of policy benefits in boldface with a font size not smaller than that of the product name;

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- the obligation of truthful disclosure of the insurance applicant, and the consequences of breach of the obligation;
- the statement on whether online services sufficiently covers all stages, and warnings of possible inadequate services as the insurance institution may have no branches in the place where the consumer or the insured matter is located;
- the method of payment of insurance premiums, and method of delivery of insurance certificates and premium invoices;
- other matters that directly affect the rights and interests of consumers and purchase decisions.

Furthermore, the Measures for the Regulation of Internet Insurance Business require that insurance institutions shall, through the special column for disclosure of internet insurance information on the official website of Insurance Association of China, promptly disclose the information on their self-run network platforms, internet insurance products, cooperative sales channels, etc., so as to facilitate inquiry and supervision by the public.

Pursuant to the Administrative Measures for the Disclosure of Information on Life and Health Insurance Products (《人身保險產品信息披露管理辦法》), promulgated by the CBIRC on November 11, 2022 and effective on June 30, 2023, in terms of insurance type, the life and health insurance products include life insurance, annuity insurance, health insurance and casualty insurance; in terms of design type, the life and health insurance products include general life and health insurance, participating life and health insurance, universal life and health insurance and unit-linked life and health insurance; in terms of insurance period, the life and health insurance products include the life and health insurance with a term of more than one year and the life and health insurance with a term of less than one year. No insurance intermediary or any of its practitioners may revise information disclosure materials for insurance products sold on an agency basis. The product information disclosure materials used by any insurance intermediary or any of its practitioners shall be consistent with product information disclosure materials of the insurance company.

### REGULATIONS RELATED TO INTERNET INFORMATION SERVICE

Pursuant to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) promulgated by the State Council on September 25, 2000 and revised on January 8, 2011 and the Administration Measures for the Filing of Not-for-profit Internet Information Services (《非經營性互聯網信息服務備案管理辦法》) released on February 8, 2005 by the former Ministry of Information Industry, effective from March 20, 2005 and last revised on January 18, 2024, internet information services are classified into “for-profit internet information services” and “not-for-profit internet information services”. The for-profit internet information service refers to service activities to provide information or website design to online users for profit; the not-for-profit internet information service refers to service activities to provide online users open, shared information on internet free of charge. The

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national government has installed the filing system for not-for-profit internet information service. Whoever intends to provide not-for-profit internet information service through the websites visited via internet domain names or through the websites which can only be visited via IP address within the territory of the PRC shall go through filing procedures in accordance with law. Such not-for-profit internet information service provider shall, when its website is available, display its filing number at the central part on the bottom of its home page and link the URL of the filing administration system of the Ministry of Industry and Information Technology of the PRC (the “MIIT”), below the filing number for consultation and check by the public. Furthermore, an annual review procedure is required for the not-for-profit internet information service provider to go through on the filing administration system of the MIIT at a specified time each year.

Mobile internet application is subject to monitoring by the Administrative Provisions on Mobile Internet Application Information Services (《移動互聯網應用程序信息服務管理規定》) promulgated by the Cyberspace Administration of China (the “CAC”) on June 28, 2016 and amended on June 14, 2022 and such amendment took effect on August 1, 2022. Under these provisions, the application providers shall establish sound information content review and management mechanism by erecting and improving measures such as user registration, account management, information review, daily inspection and emergency disposal and be staffed with professionals and technical ability appropriate to the service scale. Moreover, the application providers shall not conduct acts such as false advertising and bundled downloading, nor shall they employ machine or manual click farming services for instantly boosting popularity in rankings, increasing quantity and control the ratings or use illegal and unhealthy information to induce users to download.

Pursuant to the Notice of the Ministry of Industry and Information Technology on the Record-filing of Mobile Internet Apps (《工業和信息化部關於開展移動互聯網應用程序備案工作的通知》), promulgated by the MIIT on July 21, 2023 and took effective on the same day, any APP sponsor that engages in Internet information services within the territory of the PRC shall go through the record-filing formalities in accordance with the Law of the People’s Republic of China Against Telecommunications and Internet Frauds (《中華人民共和國反電信網絡詐騙法》), the Administrative Measures on Internet-based Information Services and other regulations. Any APP sponsor that fails to complete the record-filing formalities shall not engage in APP Internet information services.

## REGULATIONS RELATED TO CYBERSECURITY AND DATA SECURITY

The PRC government has proposed or promulgated a number of new measures and regulations in recent years regarding cybersecurity and data security. The Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》) promulgated by the Ministry of Public Security (the “MPS”), the State Secrecy Bureau, the State Cipher Code Administration and the former Information Office of the State Council on June 22, 2007, divide the security protection of information systems into five grades based on the degree of harm caused by the destruction of the information system to the legitimate rights and interests of citizens, legal persons and other organizations, social public order and

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public interests and the national security and require the operators of information systems ranking Grade II or above to file an application with the local competent public security authorities for information systems already put into operation within 30 days since the date when its security protection grade was determined and for newly built information system of Grade II or above within 30 days since its information system is put into operation.

On July 1, 2015, the SCNPC issued the National Security Law of the PRC (《中華人民共和國國家安全法》), which came into effect on the same day. The National Security Law provides that the state shall build a network and information security guarantee system and improve network and information security protection capability to realize the controllability and security of the network information key technologies and critical infrastructure and the information systems and data in important fields. In addition, a national security review and supervision system is required to be established to review, among other things, foreign investment, special items and key technologies and network information technology products and services, construction projects involving national security matters and other important activities that affect or are likely to affect national security of the PRC. On November 7, 2016, the SCNPC promulgated the PRC Cybersecurity Law (《中華人民共和國網絡安全法》), which came into effect on June 1, 2017 and applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in China. Network service providers who do not comply with the PRC Cybersecurity Law may be subject to correction orders, warnings, fines, suspension of their businesses, shutdown of their websites, and revocation of their business licenses. On June 10, 2021, the SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), which took effect on September 1, 2021. The PRC Data Security Law provides for data security obligations and duties on entities and individuals carrying out data processing activities. The PRC Data Security Law also introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken according to respective data security protection grade. Violation of the PRC Data Security Law may be subject to an order to cease illegal activities, warnings, fines, suspension of business and revocation of business licenses or operating permits, and the personnel directly in charge or other directly responsible personnel may be imposed with fines. On July 30, 2021, the State Council promulgated the Regulations on the Protection of the Security of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which took effect on September 1, 2021. According to the regulations, a “critical information infrastructure” refers to an important network facility and information system in important industries and fields such as, among others, public communications and information services, as well as other important network facilities and information systems that may seriously endanger national security, the national economy, the people’s livelihood, or the public interests in the event of damage, loss of function, or data leakage. The competent authorities shall inform the relevant operators in a timely manner if such operators are determined as the critical information infrastructure operators.

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On December 28, 2021, the CAC, together with certain other PRC Governmental Authorities, promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》) that replaced the previous version and took effect from February 15, 2022. Pursuant to Cybersecurity Review Measures, the purchase of network products and services by a critical information infrastructure operator or the data processing activities of a network platform operator that affect or may affect national security will be subject to a cybersecurity review. In addition, network platform operators processing personal information of over one million users shall apply the cybersecurity review office for a cybersecurity review before listing abroad. Where members of the cybersecurity review working mechanism believe that network products and services and data processing activities affect or are likely to affect national security, the Cybersecurity Review Office shall report to the Central Cyberspace Affairs Commission for approval as per procedure, and then conduct a review in accordance with the Cybersecurity Review Measures. The Cybersecurity Review Measures provide that the relevant parties who violate the Cybersecurity Review Measures shall be subject to legal consequences in accordance with the PRC Cybersecurity Law and the PRC Data Security Law.

On September 24, 2024, the State Council promulgated the Regulation on Network Data Security Management (《網絡數據安全管理條例》), which came into effect on January 1, 2025. The regulations provide that, among others, network data processors carry out network data processing activities that affect or may affect national security shall undergo the national security review in accordance with relevant regulations.

In the meantime, the PRC regulatory authorities have also enhanced the supervision and regulation on cross-border data transfer. On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-Border Data Transfer (《數據出境安全評估辦法》), which took effect on September 1, 2022. These measures require the data processors providing data overseas and falling under specified circumstances apply for the security assessment of cross-border data transfer to the national cybersecurity authority through its local provincial counterpart. In addition, on February 22, 2023, the Provision on the Standard Contract on Cross-border Transfer of Personal Information (《個人信息出境標準合同辦法》) (the “Provisions on Standard Contract”) were promulgated by the CAC, which took effect on June 1, 2023. The provisions on Standard Contract attach the Standard Contract for cross-border transfer of personal information that could be used to satisfy one of the conditions for cross-border transfer of personal information under Article 38 of the Personal Information Protection Law.

The CAC implemented the Regulations on Promoting and Regulating Cross-Border Data Flow (《促進和規範數據跨境流動規定》) (the “New Cross-Border Data Regulations”) on March 22, 2024. The New Cross-Border Data Regulations adjust the implementation of the data cross-border security assessment, standard contract administration on cross-border transfer of personal information, and personal information protection certification systems, which were previously issued by the Cyberspace Administration of China in the Measures for the Security Assessment of Cross-Border Data Transfer and the Provision on the Standard Contract on Cross-border Transfer of Personal Information. According to Article 3 of the New Cross-Border Data Regulations, data collected and generated in activities such as international trade, cross-border transportation, academic cooperation, transnational production and

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manufacturing, and marketing, which is provided overseas and does not contain personal information or important data, is exempt from the declaration of data cross-border security assessment, the conclusion of a standard contract for personal information cross-border transfer, and the personal information protection certification. According to Article 7 of the New Cross-Border Data Regulations, data processors who provide data overseas and meet one of the following conditions should apply for data cross-border security assessment to the national cyberspace authority through the provincial cyberspace administration where they are located: (i) operators of critical information infrastructure provide personal information or important data overseas; or (ii) data processors other than operators of critical information infrastructure provide important data overseas, or have provided personal information of more than 1 million people (excluding sensitive personal information) or more than 10,000 people of sensitive personal information overseas since January 1 of the current year.

### REGULATIONS RELATING TO PRIVACY PROTECTION

In recent years, PRC regulatory authorities have enacted laws and regulations on internet use to protect personal information from any unauthorized disclosure. The PRC Cybersecurity Law imposes certain data protection obligations on network operators, including that network operators may not disclose, tamper with, or damage the personal information that they have collected, or provide the personal information to others without obtaining consent from the persons whose information has been collected unless otherwise required or permitted by applicable laws and regulations. Moreover, network operators are obligated to delete unlawfully collected information and to amend incorrect information.

On December 29, 2011, the MIIT issued the Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), which took effect on March 15, 2012 and stipulates that internet information service providers may not collect any user personal information or provide any such information to third parties without the consent of the user, unless otherwise stipulated by laws and administrative regulations. An internet information service provider is also required to properly store users' personal information, and in case of any leak or any possibility of leak of the users' personal information, the internet information service provider must take immediate remedial measures and, when serious consequences have been caused or may be caused, make an immediate report to the telecommunications regulatory authority and cooperate with the relevant authorities in investigation.

Pursuant to the Decision on Strengthening the Protection of Online Information (《關於加強網絡信息保護的決定》), issued by the SCNPC in 2012, and the Order for the Protection of Telecommunication and Internet User Personal Information (《電信和互聯網用戶個人信息保護規定》), issued by the MIIT in 2013, any collection and use of a user's personal information must abide by the principles of legality, legitimacy and necessity, explicitly state the purpose, manners and scopes of the information collection and uses, obtain the consent of the user and shall not violate the provisions of laws, regulations and the agreement with the users. Any violation of these laws and regulations may subject the internet service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, closedown of websites or even criminal liabilities.

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Pursuant to the Notice of the Supreme People’s Court, the Supreme People’s Procuratorate and the Ministry of Public Security on Legally Punishing Criminal Activities Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院、公安部關於依法懲處侵害公民個人信息犯罪活動的通知》) issued and effective on April 23, 2013 and the Interpretation of the Supreme People’s Court and the Supreme People’s Procuratorate on Several Issues regarding Application of Law in Criminal Cases involving Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) issued on May 8, 2017 and took effect on June 1, 2017, the following activities may constitute the crime of infringing upon a citizen’s personal information: (i) providing a citizen’s personal information to specified persons or releasing citizens’ personal information online or through other methods in violation of relevant national provisions; (ii) providing legitimately collected personal information of citizens to others without such citizen’s consent (unless the information is processed, not identifiable to a specific person and not recoverable) in violation of relevant national provisions; (iii) collecting a citizen’s personal information in violation of applicable rules and regulations when performing a duty or providing services; or (iv) collecting a citizen’s personal information by purchasing, accepting or exchanging such information in violation of applicable rules and regulations. In addition, the Opinions of the Supreme People’s Court, the Supreme People’s Procuratorate, and the Ministry of Public Security on Several Issues Concerning the Application of Criminal Procedures in Handling of Criminal Cases Involving Information Networks (《最高人民法院、最高人民檢察院公安部關於辦理信息網絡犯罪案件適用刑事訴訟程序若干問題的意見》), which took effect on September 1, 2022, further provide detailed procedures on facilitating the handling of criminal cases of (i) refusing to perform the obligation of managing the security of the information networks, (ii) illegally using the information networks, or (iii) assisting in the criminal activities of the information networks.

With respect to the security of information collected and used by mobile apps, and to protect the rights and interests of app users pursuant to the Announcement of Conducting Special Supervision against the Illegal Collection and Use of Personal Information by Apps (《關於開展App違法違規收集使用個人信息專項治理的公告》), which was issued by the Central Cyberspace Affairs Commission, the MIIT, the MPS, and the SAMR on January 23, 2019, app operators shall collect and use personal information in compliance with the PRC Cybersecurity Law and shall be responsible for the security of personal information obtained from users and take effective measures to strengthen personal information protection. Furthermore, app operators shall not force their users to make authorization by means of default, bundling, suspending installation or use of the app or other similar means and shall not collect and use personal information in violation of laws, regulations or in breach of user agreements. Such regulatory requirements were emphasised by the Notice on the Special Rectification of Apps Infringing upon User’s Personal Rights and Interests (《關於開展APP侵害用戶權益專項整治工作的通知》) issued by MIIT on October 31, 2019. On November 28, 2019, the CAC, the MIIT, the MPS and the SAMR jointly issued the Methods of Identifying Illegal Acts to Collect and Use Personal Information by APPs (《App違法違規收集使用個人信息行為認定方法》). This regulation further illustrates certain common illegal practices of app operators in terms of personal information protection and specifies acts of app operators that will be considered as “collection and use of personal information without users’ consent”.

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On May 28, 2020, the NPC adopted the Civil Code of the PRC (《中華人民共和國民法典》), which came into effect on January 1, 2021. Pursuant to the Civil Code of the PRC, the personal information of a natural person shall be protected by the law. Any organization or individual shall legally obtain such personal information of others when necessary and ensure the safety of such information, and shall not illegally collect, store, use, process or transmit personal information of others, or illegally buy or sell, provide or make public personal information of others.

On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), which took effect on November 1, 2021. Pursuant to the Personal Information Protection Law, “personal information” refers to any kind of information related to an identified or identifiable individual as electronically or otherwise recorded but excluding the anonymised information. The processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information. The Personal Information Protection Law applies to the processing of personal information of natural persons within the territory of the PRC, as well as personal information processing activities outside the territory of PRC, for the purpose of providing products or services to natural persons located within China, or for analyzing or evaluating the behaviors of natural persons located within China, or for other circumstances as prescribed by laws and administrative regulations. A personal information processor may process the personal information of this individual only under the following circumstances: (i) where consent is obtained from the individual; (ii) where it is necessary for the execution or performance of a contract to which the individual is a party, or where it is necessary for carrying out human resource management pursuant to employment rules legally adopted or a collective contract legally concluded; (iii) where it is necessary for performing a statutory responsibility or statutory obligation; (iv) where it is necessary in response to a public health emergency, or for protecting the life, health or property safety of a natural person in the case of an emergency; (v) where the personal information is processed within a reasonable scope to carry out any news reporting, supervision by public opinions or any other activity for public interest purposes; (vi) where the personal information, which has already been disclosed by an individual or otherwise legally disclosed, is processed within a reasonable scope; or (vii) any other circumstance as provided by laws or administrative regulations. In principle, the consent of an individual must be obtained for the processing of his or her personal information, except under the circumstances of the aforementioned items (ii) to (vii). Where personal information is to be processed based on the consent of an individual, such consent shall be a voluntary and explicit indication of intent given by such individual on a fully informed basis. If laws or administrative regulations provide that the processing of personal information shall be subject to the separate consent or written consent of the individual concerned, such provisions shall prevail.



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### REGULATIONS ON LABOR PROTECTION IN THE PRC

#### Labor Law of the PRC

On July 5, 1994, the SCNPC promulgated the Labor Law of the PRC (《中華人民共和國勞動法》) (the “Labor Law”), which took effect on January 1, 1995 and was subsequently amended on August 27, 2009 and December 29, 2018. The Labor Law stipulates an employer shall develop and improve its rules and regulations to safeguard the rights of its workers. An employer shall develop and improve its labor safety and health system, stringently implement national protocols and standards on labor safety and health, conduct labor safety and health education for workers, guard against labor accidents and reduce occupational hazards. Labor safety and health facilities must comply with relevant national standards. An employer must provide workers with the necessary labor protection gear that complies with labor safety and health conditions stipulated under national regulations, as well as provide regular health checks for workers that are engaged in operations with occupational hazards. Laborers engaged in special operations shall have received specialized training and obtained the pertinent qualifications. An employer shall develop a vocational training system. Vocational training funds shall be set aside and used in accordance with national regulations and vocational training for workers shall be carried out systematically based on the actual conditions of the company.

#### The Labor Contract Law of the PRC and its Implementation Regulations

On June 29, 2007, the SCNPC promulgated the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the “Labor Contract Law”), which came into effect on January 1, 2008, and was subsequently amended on December 28, 2012 and came into effect on July 1, 2013, and on September 18, 2008, the State Council promulgated the Implementation Regulations on Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), which became effective on the same date, regulates both parties of a labor contract, namely, the employer and the employee, and contain specific provisions involving the terms of the labor contract. It is stipulated under the Labor Contract Law and the Implementation Regulations on Labor Contract Law that a labor contract must be made in writing. An employer and an employee may enter into a fixed-term labor contract, an un-fixed term labor contract, or a labor contract that concludes upon the completion of certain work assignments, after reaching agreement upon due negotiations. An employer may legally terminate a labor contract and dismiss its employees after reaching agreement upon due negotiations with the employee or by fulfilling the statutory conditions.

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### REGULATION ON SUPERVISION OVER THE SOCIAL SECURITY AND HOUSING PROVIDENT FUNDS

#### Social Insurance

According to the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), the Regulations on Work Injury Insurance (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》) and the Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》), enterprises in the PRC shall provide benefit plans for their employees, which include basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance. An enterprise must provide social insurance by processing social insurance registration with local social insurance agencies, and shall pay or withhold relevant social insurance premiums for or on behalf of employees. The Law on Social Insurance of the PRC (《中華人民共和國社會保險法》) (the “Social Insurance Law”), which was promulgated on October 28, 2010 and amended on December 29, 2018, has consolidated pertinent provisions for basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance, and has elaborated in detail the legal obligations and liabilities of employers who do not comply with relevant laws and regulations on social insurance.

#### Housing Provident Fund

On April 3, 1999, the State Council promulgated the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) (the “Housing Provident Fund Regulations”), which became effective on the same day, and was subsequently amended on March 24, 2002 and March 24, 2019. The Housing Provident Fund Regulations stipulates that housing provident fund contributions by an individual employee and housing provident fund contributions by his or her employer shall belong to the individual employee. The employer shall timely pay up and deposit housing provident fund contributions in full amount and late or insufficient payments shall be prohibited. The employer shall process housing provident fund payment and deposit registrations with the housing provident fund administration center.

### REGULATIONS ON INTELLECTUAL PROPERTY IN THE PRC

#### Copyright Law and its Implementing Rules of the PRC

On September 7, 1990, the SCNPC promulgated the Copyright Law of the PRC (《中華人民共和國著作權法》) (the “Copyright Law”), which was last amended on November 11, 2020 and came into effect on June 1, 2021. The Copyright Law stipulates copyrights include personal rights such as the right of publication and that of attribution as well as property rights such as the right of production and that of distribution. Reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, unless

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otherwise provided in the Copyright Law, shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, undertake to cease the infringement, take remedial action, and offer an apology, pay damages, etc.

### **Trademark Law and its implementation regulation of the PRC**

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) which was promulgated on August 23, 1982 and subsequently amended on February 22, 1993, October 27, 2001, August 30, 2013, April 23, 2019 and took effect on November 1, 2019 as well as the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》) adopted by the State Council on August 3, 2002 and revised on April 29, 2014. In the PRC, registered trademarks include commodity trademarks, service trademarks, collective marks and certification marks. The Trademark Office of National Intellectual Property Administration handles trademark registrations and grants a term of 10 years to registered trademarks, renewable every 10 years where a registered trademark needs to be used after the expiration of its validity term.

### **Patent Law of the PRC**

On March 12, 1984, the SCNPC promulgated the Patent Law of the PRC (《中華人民共和國專利法》), which was last amended on October 17, 2020 and came into effect on June 1, 2021. On June 15, 2001, the State Council promulgated the Implementation Rules of The Patent Law of the PRC (《中華人民共和國專利法實施細則》), which was last amended on December 11, 2023 and came into effect on January 20, 2024. Both stipulates that patents in China are divided into invention patent, utility patent and design patent. Invention patent refers to new technical solutions for a product, method or its improvement; utility patent refers to new technical solutions for the shape, structure or the combination of both shape and structure of a product, which is applicable for practical use; design patent refers to new designs of the shape, pattern or the combination of shape and pattern, or the combination of the color, the shape and pattern of a product with esthetic feeling and industrial application value. Invention patent shall be valid for 20 years from the date of application while utility patent shall be valid for ten years from the date of application and design patent shall be valid for fifteen years from the date of application. The patent right entitled to its owner shall be protected by the laws. Any person shall be licensed or authorized by the patent owner before using such patent. Otherwise, the use constitutes an infringement of the patent right.

### **Administrative Measures for Internet Domain Names**

The Ministry of Industry and Information Technology (the “MIIT”) promulgated the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) (the “Domain Name Measures”) on August 24, 2017, which took effect on November 1, 2017. Pursuant to the Domain Name Measures, the MIIT oversees the administration of PRC internet domain names. The domain name registration follows a first-to-file principle. Applicants for registration of

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domain names must provide the true, accurate, and complete information of their identities to domain name registration service institutions. The applicants will become the holder of such domain names upon the completion of the registration procedure.

### REGULATIONS ON TAX IN THE PRC

#### Enterprise Income Tax Law

On March 16, 2007, the SCNPC promulgated the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”), which was last amended on December 29, 2018 and became effective on the same date. On December 6, 2007, the State Council promulgated the Implementation Rules to the EIT Law (《中華人民共和國企業所得稅法實施條例》) (the “Implementation Rules”), which was amended on April 23, 2019. Both stipulates that enterprises are divided into resident enterprises and non-resident enterprises. A resident enterprise shall pay enterprise income tax on its income deriving from both inside and outside China at the rate of enterprise income tax of 25%. A non-resident enterprise that has an establishment or place of business in the PRC shall pay enterprise income tax on its income deriving from inside China and obtained by such establishment or place of business, and on its income which derives from outside China but has actual relationship with such establishment or place of business, at the rate of enterprise income tax of 25%. A non-resident enterprise that does not have an establishment or place of business in China, or has an establishment or place of business in China but the income has no actual relationship with such establishment or place of business, shall pay enterprise income tax on its income deriving from inside China at the reduced rate of enterprise income tax of 10%.

#### Value-added Tax

Pursuant to the Provisional Regulations of the People’s Republic of China on Value-added Tax (《中華人民共和國增值稅暫行條例》), promulgated on December 13, 1993 and latest amended on November 19, 2017, and the Decision of State Council on Abolition of the Provisional Regulations of the People’s Republic of China on Business Tax and Revision of the Provisional Regulations of the People’s Republic of China on Value-added Tax (《國務院關於廢止<中華人民共和國營業稅暫行條例>和修改<中華人民共和國增值稅暫行條例>的決定》), promulgated on November 19, 2017, all enterprises and individuals engaged in the sale of goods, the provision of processing, repair and replacement services, sales of services, intangible assets, real property, and the importation of goods within the territory of the PRC shall be liable to pay VAT. According to Announcement 39, regulated by the STA and its local counterparts, the VAT tax rates generally applicable are simplified as 13%, 9%, 6% and 0%, which become effective on April 1, 2019, and the VAT tax rate applicable to the small-scale taxpayers is 3%.

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### Income Tax in Relation to Dividend Distribution

The EIT Law provides that since January 1, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

Pursuant to the Double Taxation Avoidance Arrangement, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Taxation Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《關於執行稅收協定股息條款有關問題的通知》), issued on February 20, 2009 by the STA, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. According to the Circular on Several Questions regarding the “Beneficial Owner” in Tax Treaties (《關於稅收協定中“受益所有人”有關問題的公告》), which was issued on February 3, 2018 by the STA and became effect on April 1, 2018, when determining the applicant’s status as the “beneficial owner” regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including, without limitation, whether the applicant is obligated to pay more than 50% of his or her income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant any tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and such factors will be analyzed according to the actual circumstances of the specific cases.

### REGULATIONS ON FOREIGN EXCHANGE IN THE PRC

According to the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated on January 29, 1996 and amended on January 14, 1997 and August 5, 2008, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the State Administration of Foreign Exchange (the “SAFE”) or its designated banks is obtained.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign exchange capital and external debts and funds recovered from overseas

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listing) may convert from foreign currency into RMB on a self-discretionary basis. The ratio of the discretionary exchange rate of foreign exchange receipts under the domestic capital account is tentatively set at 100%. The SAFE may adjust the above ratio in due course according to the balance of payment status.

According to the Notice of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) which was promulgated on October 23, 2019 and amended by SAFE Notice on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) which was promulgated on December 4, 2023, foreign-invested enterprises engaged in noninvestment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to the law on the condition that the current Special Administrative Measures for Access of Foreign Investment (Negative List) are not violated and the relevant domestic investment projects are genuine and in compliance with laws.

### REGULATIONS ON OVERSEAS LISTING

The CSRC promulgated Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Overseas Listing Trial Measures”) and five relevant guidelines on February 17, 2023, which came into effective on March 31, 2023. The Overseas Listing Trial Measures regulate both direct and indirect overseas offering and listing by PRC domestic companies’ by adopting a filing-based regulatory regime.

Pursuant to the Overseas Listing Trial Measures, no overseas offering and listing shall be made under any of the following circumstances: (i) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) where the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) where the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of socialist market economy during the latest three years; (iv) where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof; and (v) where there are material ownership disputes over equity held by the domestic company’s controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller.

Initial public offerings or listings in overseas markets shall be filed with the CSRC within three business days after the relevant application is submitted overseas. The Overseas Listing Trial Measures also require subsequent reports to be filed with the CSRC upon the occurrence of any of the material events after an issuer has offered and listed securities in an overseas

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## REGULATORY OVERVIEW

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market, such as (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Where an issuer’s main business undergoes material changes after overseas offering and listing, and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within three business days after occurrence of the changes.

Furthermore, on February 24, 2023, the CSRC, together with certain other PRC governmental authorities, promulgated the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (the “Confidentiality and Archives Administration Provisions”) (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), which came into effect on March 31, 2023. According to the Confidentiality and Archives Administration Provisions, PRC domestic companies that directly or indirectly conduct overseas offerings and listings, shall strictly abide by applicable PRC laws and regulations on confidentiality when providing or publicly disclosing, either directly or through their overseas listed entities, documents and materials to securities services providers such as securities companies and accounting firms or overseas regulators in the process of their overseas offering and listing. In the event such documents or materials contain state secrets or working secrets of government agencies, the PRC domestic companies shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level; in the event that such documents or materials, if leaked, will jeopardize national security or public interest, the PRC domestic companies shall strictly fulfill relevant procedures stipulated by applicable national regulations. The PRC domestic companies shall also provide a written statement of the specific state secrets and sensitive information provided when providing documents and materials to securities companies and securities service providers, and the securities companies and securities service providers shall properly retain such written statements for inspection. Furthermore, the Confidentiality and Archives Administration Provisions also provide where overseas securities regulators and relevant competent overseas authorities request to inspect, investigate or collect evidence from PRC domestic companies concerning their overseas offering and listing or their securities firms and securities service providers that undertake securities business for such PRC domestic companies, such inspection, investigation and evidence collection must be conducted under a cross-border regulatory cooperation mechanism, and the CSRC or other competent authorities of the PRC government will provide necessary assistance pursuant to bilateral and multilateral cooperation mechanism. Domestic companies, securities firms and securities service providers shall first obtain approval from the CSRC or other competent PRC authorities before cooperating with the inspection and investigation by the overseas securities regulators or competent overseas authority or providing documents and materials requested in such inspection and investigation.

## REGULATORY OVERVIEW

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### REGULATIONS ON MANAGEMENT OF LEASE HOUSING IN THE PRC

Administrative Measures on Leasing of Commodity Housing On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), which came into effect on February 1, 2011, stipulates that lessors and lessees shall complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development (real estate) department of the PRC Government of the centrally-administered municipality, municipality or county where the leased property is located. Organizations who violate the relevant provisions of this regulation shall be ordered by the development (real estate) department of the PRC Governments of centrally-administered municipalities, municipalities or counties to make correction within a stipulated period; where an organization fails to make correction within the stipulated period, a fine ranging from RMB1,000 to RMB10,000 shall be imposed.



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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### OUR HISTORY

#### Overview

We are a leading digital risk management solutions provider in the scenario-based insurance market in the PRC. By utilizing scenario-based insurance primarily as a tool, we generate revenue by providing innovative and technology-empowered risk management financial services, intelligent marketing and digitalization solutions and TPA services. Our Company was established in the PRC on April 17, 2015, with an initial registered capital of RMB10.0 million by Fujian Helihomei, a company controlled by Mr. Tu, who is our founder, the chairman of our Board, an executive Director and the chief executive officer of our Company. For more details of the experience and qualifications of Mr. Tu, see “Directors, Supervisors and Senior Management” in this document.

#### KEY MILESTONES

The following is a summary of our Group’s key business development milestones:

Year	Milestone
2015 . . . . .	Our Company was established in the PRC with a focus on “Insurance + Technology”.
2016 . . . . .	We developed our “Big Data Full-process Risk Management System Infrastructure” (大數據全流程風險管理體系建設架構) and started building the digital ecosystem cloud platform.  We acquired Yunan Botai Insurance Brokers Co., Ltd. (雲南保泰保險經紀有限公司) (currently known as Baigebao Insurance Brokers Co., Ltd. (白鴿寶保險經紀有限公司)), which was granted a nationwide insurance brokerage license issued by the CBIRC and was authorized to conduct insurance agency business in all areas of the PRC.  We launched Baige Alliance (白鴿聯盟), an Internet-based platform designed for insurance brokers to conduct their business.
2017 . . . . .	We obtained an internet insurance business sales permit and began to provide insurance brokerage services nationwide.
2018 . . . . .	We upgraded our Big Data Full-process Risk Management System Infrastructure to an insurance SaaS application system and began to provide digitalization solutions for our partners.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Year	Milestone
2019 . . . . .	<p>We introduced the concept of “9+N Ecosystems”.</p> <p>We were recognized as a National High and New Technology Enterprise (國家級高新技術企業).</p> <p>The total number of insurance policies sold through us exceeded 10 million.</p>
2020 . . . . .	<p>We launched Baige LeBao (白鴿樂保) as a direct sales channel for our customized insurance products.</p>
2021 . . . . .	<p>We upgraded our SaaS application system and officially launched Baige eBao (白鴿e保), our self-developed full-process SaaS application system platform.</p> <p>We upgraded our Baige Alliance platform to the Baige Tanbao WeChat Official Account (白鴿探保微信公眾號) to facilitate the business development process for insurance brokers.</p> <p>We completed the series A financing from, among others, New Hope Investment Group Co., Ltd. (新希望投資集團有限公司) (“<b>New Hope</b>”).</p> <p>Our Baige Tiandi Financial (Insurance) Science and Technology Industrial Park (白鴿天地金融(保險)科技產業園) was recognized by the PBOC, SAFE, CSRC and CBIRC as the first batch of municipal-level science and technology industrial parks with the theme of InsurTech in China.</p> <p>We were recognized as one of the “China’s Fintech Top 50 Enterprises” (中國金融科技50企業) by KPMG for three consecutive years from 2021 to 2023.</p> <p>The total number of our end insureds exceeded 100 million.</p>
2022 . . . . .	<p>We were recognized as a “Fujian Technology ‘Little Giant’ Enterprise” (福建科技「小巨人」企業) by the Fujian Provincial Department of Social and Technology.</p>

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Year	Milestone
2023 . . . . .	<p>We were awarded the “Most Innovative Award” at the 3rd Global Fintech Application Scenario Competition (第三屆全球金融科技應用場景大賽“最具創新力獎”) organized by Zhongguancun Xichengyuan Management Committee (中關村西城園管理委員會), Beijing Fintech Institute (北京金融科技研究院) and Beijing Qingfen Institute for Neo Financial Research (北京清芬新金融研究院).</p> <p>We were recognized as one of the “Global Financial Technology Top 10 Enterprises” (金融科技10強企業) at the 6th Global Fintech Venture Competition organized by Beijing Fintech Institute (北京金融科技研究院) and Beijing Qingfen Institute for Neo Financial Research (北京清芬新金融研究院).</p> <p>The total number of our end insureds exceeded 270 million.</p>
2024 . . . . .	<p>We started to develop MaaS models powered by machine learning and AI to automate insights and support informed decision-making.</p> <p>We upgraded Baige LeBao (白鴿樂保) as a comprehensive value-added service platform and a community for insurance clients.</p> <p>We were recognized as a Xiamen Municipal Enterprise Technology Center (廈門市級企業技術中心) by the Xiamen Municipal Bureau of Industry and Information Technology (廈門市工業和信息化局).</p> <p>We were recognized as a Fujian Province Unicorn Innovative Enterprise (福建省獨角獸創新企業) by the Fujian provincial Data Administration Bureau (福建省數據管理局).</p> <p>We were recognized as a governing unit of the Finance and Insurance Special Committee of East China Jiangsu Big Data Exchange (華東江蘇大數據交易中心金融保險專委會理事單位) by East China Jiangsu Big Data Trading Center (華東江蘇大數據交易中心).</p>

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### OUR GROUP COMPANIES

#### Our Company

##### *Establishment of our Company in April 2015*

On April 17, 2015, our Company’s predecessor Gongzhong Toubao (Xiamen) Network Technology Co., Ltd. (公眾投保(廈門)網絡科技有限公司) (“**Gongzhong Toubao**”) was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB10,000,000, which was fully subscribed and paid up in cash by Fujian Helihemei as of May 18, 2015.

The capital structure of Gongzhong Toubao upon establishment was as follows:

Shareholder	Registered capital agreed to be subscribed for	Corresponding equity interest
	(RMB)	(%)
Fujian Helihemei <sup>(Note)</sup> . . . . .	10,000,000	100.00
<b>Total</b> . . . . .	<b>10,000,000</b>	<b>100.00</b>

*Note:*

Fujian Helihemei was owned as to 24.0% by Xiamen Demei Investment Holdings Co., Ltd. (廈門德美投資控股有限公司) (“**Xiamen Demei**”) (which was controlled by Mr. Tu), 19.0% by Zhongzhida (Xiamen) Investment Co., Ltd. (眾志達(廈門)投資有限公司) (“**Zhongzhida Investment**”), 19.0% by Mr. Zeng, 19.0% by Mr. Chen Zongwei (陳宗偉) and 19.0% by Mr. Zeng Siping (曾思平) at that time.

##### *Capital Increase in April 2016*

On April 28, 2016, Gongzhong Toubao’s then sole Shareholder, Fujian Helihemei, resolved to increase the registered capital of our Company from RMB10,000,000 to RMB60,000,000, and Fujian Helihemei agreed to subscribe for the increased registered capital of RMB50,000,000 of our Company by cash, which had been fully paid by Fujian Helihemei as of June 6, 2016.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of the above capital increase, the capital structure of Gongzhong Toubao was as follows:

Shareholder	Registered capital agreed to be subscribed for	Corresponding equity interest
	(RMB)	(%)
Fujian Helihemei <sup>(Note)</sup> . . . . .	60,000,000	100.00
<b>Total</b> . . . . .	<b>60,000,000</b>	<b>100.00</b>

*Note:*

Fujian Helihemei was owned as to 22.0% by Xiamen Demei, 17.0% by Zhongzhida Investment, 17.0% by Mr. Zeng, 17.0% by Mr. Chen Zongwei, 17.0% by Mr. Zeng Siping and 10.0% by Mr. Qiu Wenbi (邱文斌) at that time.

### *Equity Transfer in December 2017*

On December 17, 2017, an equity transfer agreement was entered into between Fujian Helihemei and Xiamen Fuguohao Financial Management Co., Ltd. (廈門富國豪財務管理有限公司) (“**Xiamen Fuguohao**”), pursuant to which Fujian Helihemei transferred 12.00% of equity interest in our Company to Xiamen Fuguohao at a consideration of RMB7,200,000. The consideration was determined based on arm’s length negotiation with reference to agreed valuation between the parties and fully paid up in cash on December 19, 2017. Immediately after the equity transfer, our Company was held by Fujian Helihemei and Xiamen Fuguohao as to 88.00% and 12.00%, respectively.

### *Share Swap in May 2018*

Subsequent to the equity transfer, on May 23, 2018, Fujian Helihemei and Xiamen Fuguohao conducted a share swap, pursuant to which, Xiamen Fuguohao transferred 12.00% of equity interest in our Company to Fujian Helihemei, in exchange for 12.00% of equity interest in Fujian Helihemei on the same consideration basis of a total of RMB7,200,000 as Xiamen Fuguohao did not consider a need to hold equity interest directly in our Company at that time. The consideration was determined based on arm’s length negotiation between the parties. Upon completion, our Company was wholly held by Fujian Helihemei, and Xiamen Fuguohao indirectly held 12.00% of equity interest of our Company through Fujian Helihemei.

### *Second Equity Transfer in June 2018*

On June 21, 2018, an equity transfer agreement was entered into between Fujian Helihemei and Baige Tongchuang, our then equity incentive platform, pursuant to which Fujian Helihemei transferred 15.67% of equity interest in our Company to Baige Tongchuang, for future grant of employee share awards as part of our Group’s equity incentive scheme, at a consideration of RMB9,399,500. Immediately after the equity transfers, our Company was held by Fujian Helihemei and Baige Tongchuang as to 84.33% and 15.67%, respectively.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### *Angel Investment*

On June 26, 2018, a capital increase agreement was entered into by, Xiamen Huicheng Leading Technology Investment Co., Ltd. (廈門匯誠領躍科技有限公司) (formerly known as “Xiamen Huicheng Investment Co., Ltd. (廈門匯誠投資有限公司)”) (“**Xiamen Huicheng**”) and the then existing Shareholders of our Company, pursuant to which Xiamen Huicheng subscribed for RMB2,663,200 in the registered capital of our Company at a consideration of RMB15,000,000. The consideration was determined by parties after arm’s length negotiation with reference to agreed valuation at the relevant time of subscription and fully paid up in cash on July 17, 2018.

Upon completion of the angel investment, the capital structure of our Company was as follows:

Shareholders	Registered capital agreed to be subscribed for	Corresponding equity interest
	(RMB)	(%)
Fujian Helihomei <sup>(Note)</sup> . . . . .	50,600,500	80.75
Baige Tongchuang . . . . .	9,399,500	15.00
Xiamen Huicheng . . . . .	2,663,200	4.25
<b>Total</b> . . . . .	<b>62,663,200</b>	<b>100.00</b>

*Note:*

Fujian Helihomei was owned as to 43.0% by Mr. Tu, 15.0% by Zhongzhida Investment, 15.0% by Mr. Zeng, 15.0% by Mr. Zeng Siping and 12.0% by Xiamen Fuguohao at that time.

### *Series A Financing*

On April 16, 2021, a capital increase agreement was entered into by, among others, New Hope and the then existing Shareholders of our Company, pursuant to which New Hope subscribed for RMB3,759,800 in the registered capital of our Company at a consideration of RMB30,000,000. Meanwhile, an equity transfer agreement was entered into by, among others, New Hope and Fujian Helihomei, pursuant to which Fujian Helihomei transferred approximately 9.34% of equity interest in our Company to New Hope at a consideration of RMB23,300,000. The considerations were determined based on arm’s length negotiation between the parties and fully paid up in cash on May 19, 2023 in accordance with the payment terms agreed.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On May 5, 2022, an equity transfer agreement was entered into by, among others, Xiamen Fuguohao, Gerui (Xiamen) Enterprise Management Co., Ltd. (格納(廈門)企業管理有限公司) (“**Gerui Xiamen**”) and Fujian Helihomei, pursuant to which Fujian Helihomei transferred approximately 8.02% and 10.03% of equity interest in our Company to Xiamen Fuguohao and Gerui Xiamen at considerations of RMB5,327,600 and RMB6,659,500, respectively, with reference to the amount of registered capital. The aforementioned equity transfers were conducted for the purpose of direct control over the Company and by way of share swap. Following the Series A Financing and the share transfer, the capital structure of our Company was as follows:

Shareholders	Registered capital agreed to be subscribed for	Corresponding equity interest
	(RMB)	(%)
Fujian Helihomei <sup>(Note)</sup> . . . . .	32,409,700	48.79
New Hope . . . . .	9,963,500	15.00
Baige Tongchuang . . . . .	9,399,500	14.15
Gerui Xiamen . . . . .	6,659,500	10.03
Xiamen Fuguohao . . . . .	5,327,600	8.02
Xiamen Huicheng . . . . .	2,663,200	4.01
<b>Total</b> . . . . .	<b>66,423,000</b>	<b>100.00</b>

*Note:*

Fujian Helihomei was owned as to 58.90% by Mr. Tu, 20.55% by Zhongzhida Investment and 20.55% by Mr. Zeng at that time.

### *Series A+ Financing*

On June 28, 2022, a capital increase agreement was entered into by Xiamen Meitong Luqi Equity Investment Partnership (Limited Partnership) (廈門市美桐陸期股權投資合夥企業(有限合夥)) (“**Xiamen Meitong Luqi**”), our Company and the then existing Shareholders of our Company, pursuant to which Xiamen Meitong Luqi subscribed for RMB2,481,500 in the registered capital of our Company at a consideration of RMB19,800,000. The consideration was determined by parties after arm’s length negotiation with reference to agreed valuation at the relevant time of subscription and fully paid up in cash on July 4, 2022.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of the Series A+ Financing, the capital structure of our Company was as follows:

Shareholders	Registered capital agreed to be subscribed for	Corresponding equity interest
	(RMB)	(%)
Fujian Helihemei <sup>(Note)</sup> . . . . .	32,409,700	47.07
New Hope . . . . .	9,963,500	14.46
Baige Tongchuang . . . . .	9,399,500	13.64
Gerui Xiamen . . . . .	6,659,500	9.66
Xiamen Fuguohao . . . . .	5,327,600	7.73
Xiamen Huicheng . . . . .	2,663,200	3.87
Xiamen Meitong Luqi . . . . .	2,481,500	3.60
<b>Total</b> . . . . .	<b>68,904,500</b>	<b>100.00</b>

*Note:*

Fujian Helihemei was owned as to 58.90% by Mr. Tu, 20.55% by Zhongzhida Investment and 20.55% by Mr. Zeng at that time.

### *Series B Financing*

On May 31, 2023, a capital increase agreement was entered into by Mr. Lin Baojie (林報捷), our Company and the existing Shareholders of our Company, pursuant to which Mr. Lin Baojie subscribed for RMB551,200 in the registered capital of our Company at a consideration of RMB8,000,000. The consideration was determined by parties after arm’s length negotiation with reference to agreed valuation at the relevant time of subscription and fully paid up in cash on March 27, 2023.

On December 29, 2023, a capital increase agreement was entered into by Jiaxing Mianmiao Equity Investment Partnership (Limited Partnership) (嘉興緬邈股權投資合夥企業(有限合夥)) (“**Jiaxing Mianmiao**”), our Company and the then existing Shareholders of our Company, pursuant to which Jiaxing Mianmiao subscribed for RMB1,326,400 in the registered capital of our Company at a consideration of RMB19,250,000. The consideration was determined by parties after arm’s length negotiation with reference to agreed valuation at the relevant time of subscription and fully paid up in cash on January 26, 2024.



## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of the Series B Financing, the capital structure of our Company was as follows:

Shareholders	Registered capital agreed to be subscribed for	Corresponding equity interest
	(RMB)	(%)
Fujian Helihemei <sup>(Note)</sup> . . . . .	32,409,700	45.79
New Hope . . . . .	9,963,500	14.08
Baige Tongchuang . . . . .	9,399,500	13.28
Gerui Xiamen . . . . .	6,659,500	9.41
Xiamen Fuguohao . . . . .	5,327,600	7.53
Xiamen Huicheng . . . . .	2,663,200	3.76
Xiamen Meitong Luqi . . . . .	2,481,500	3.51
Jiaxing Mianmiao . . . . .	1,326,400	1.87
Mr. Lin Baojie (林報捷) . . . . .	551,200	0.78
<b>Total</b> . . . . .	<b>70,782,100</b>	<b>100.00</b>

*Note:*

Since November 9, 2023 and as of the Latest Practicable Date, Fujian Helihemei has been owned as to 58.90% by Mr. Tu, 20.55% by Mr. Zeng and 20.55% by Xiamen Zhongjiaxiu. Therefore, there has been no change in the shareholding of Helihemei in the latest financial year of the Track Record Period and up to the Latest Practicable Date.

### *Conversion into a Joint-stock Limited Liability Company*

On June 30, 2024, the then existing Shareholders of our Company passed resolutions approving, among other matters, the conversion of our Company from a limited liability company into a joint-stock limited liability company. Pursuant to the promoters’ agreement dated September 4, 2024 entered into by all the then existing Shareholders, all promoters approved the conversion of the net assets value of our Company as of RMB72,345,100 into 70,782,100 Shares of our Company. On September 19, 2024, our Company convened our first general meeting and passed related resolutions approving the conversion of our Company into a joint-stock limited liability company, the articles of association and the relevant procedures. Upon completion of the conversion, the registered capital of our Company became RMB70,782,100 divided into 70,782,100 Shares with a nominal value of RMB1.00 each, which were subscribed for by all the then Shareholders in proportion to their respective equity interests in our Company before the conversion. The conversion was completed on October 14, 2024.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The shareholding structure of our Company upon the above conversion is set forth in the table below:

Shareholders	Registered capital agreed to be subscribed for	Corresponding shareholding
	(RMB)	(%)
Fujian Helihemei <sup>(Note)</sup> . . . . .	32,409,700	45.79
New Hope . . . . .	9,963,500	14.08
Baige Tongchuang . . . . .	9,399,500	13.28
Gerui Xiamen . . . . .	6,659,500	9.41
Xiamen Fuguohao . . . . .	5,327,600	7.53
Xiamen Huicheng . . . . .	2,663,200	3.76
Xiamen Meitong Luqi . . . . .	2,481,500	3.51
Jiaxing Mianmiao . . . . .	1,326,400	1.87
Mr. Lin Baojie (林報捷) . . . . .	551,200	0.78
<b>Total</b> . . . . .	<b>70,782,100</b>	<b>100.00</b>

*Note:*

Since November 9, 2023 and as of the Latest Practicable Date, Fujian Helihemei has been owned as to 58.90% by Mr. Tu, 20.55% by Mr. Zeng and 20.55% by Xiamen Zhongjiaxiu. Therefore, there has been no change in the shareholding of Helihemei in the latest financial year of the Track Record Period and up to the Latest Practicable Date.

### Series C Financing

On October 1, 2024, December 16, 2024, and January 17, 2025, our Company and the then existing Shareholders of our Company entered into capital increase agreements with Prolight Corporation Limited (光博有限公司) (“**Prolight**”), Fujian Yongchun Transformation and Upgrading Industrial Investment Partnership (Limited Partnership) (福建省永春轉型升級產業投資合夥企業(有限合夥)) (“**Fujian Yongchun**”) and Shenzhen Minyin Sci-Tech Innovation No. 1 Private Equity Investment Fund Partnership (Limited Partnership) (深圳民銀科創一號私募股權投資基金合夥企業(有限合夥)) (“**Minyin Sci-Tech**”), respectively, pursuant to which Prolight, Fujian Yongchun and Minyin Sci-Tech subscribed for RMB176,955, RMB530,866 and RMB329,137 in the registered capital of our Company at a consideration of RMB5,000,000, RMB15,000,000 and RMB9,300,000, respectively. The considerations were determined by the parties after arm’s length negotiation with reference to agreed valuation at the relevant time of subscription and fully paid up in cash on December 11, 2024, December 20, 2024 and January 20, 2025, respectively.

Shareholders	Registered capital agreed to be subscribed for	Corresponding shareholding
	(RMB)	(%)
Fujian Helihemei <sup>(Note)</sup> . . . . .	32,409,700	45.13
New Hope . . . . .	9,963,500	13.87
Baige Tongchuang . . . . .	9,399,500	13.09
Gerui Xiamen . . . . .	6,659,500	9.27
Xiamen Fuguohao . . . . .	5,327,600	7.42
Xiamen Huicheng . . . . .	2,663,200	3.71
Xiamen Meitong Luqi . . . . .	2,481,500	3.46

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	Registered capital agreed to be subscribed for	Corresponding shareholding
	(RMB)	(%)
Jiaxing Mianmiao . . . . .	1,326,400	1.85
Mr. Lin Baojie (林報捷) . . . . .	551,200	0.77
Fujian Yongchun . . . . .	530,866	0.74
Minyin Sci-Tech . . . . .	329,137	0.46
Prolight . . . . .	176,955	0.25
<b>Total</b> . . . . .	<b>71,819,058</b>	<b>100.00</b>

*Note:*

Since November 9, 2023 and as of the Latest Practicable Date, Fujian Helihomei has been owned as to 58.90% by Mr. Tu, 20.55% by Mr. Zeng and 20.55% by Xiamen Zhongjiaxiu. Therefore, there has been no change in the shareholding of Helihomei in the latest financial year of the Track Record Period and up to the Latest Practicable Date.

### *Establishment of Yujin Tongxing*

On December 19, 2024, Yujin Tongxing was established as a limited partnership under the laws of the PRC as our equity incentive platform. On February 7, 2025, an equity transfer agreement was entered into between Baige Tongchuang and Yujin Tongxing, pursuant to which Baige Tongchuang transferred 1,893,926 Shares, or 2.64% shareholding in our Company, to Yujin Tongxing for employee share awards granted under the Equity Incentive Scheme at a consideration of RMB9,818,242.

Upon completion of the above transfer and as of the Latest Practicable Date, the shareholding structure of our Company was as follows:

Shareholders	Registered capital agreed to be subscribed for	Corresponding shareholding
	(RMB)	(%)
Fujian Helihomei <sup>(Note)</sup> . . . . .	32,409,700	45.13
New Hope . . . . .	9,963,500	13.87
Baige Tongchuang . . . . .	7,505,574	10.45
Gerui Xiamen . . . . .	6,659,500	9.27
Xiamen Fuguohao . . . . .	5,327,600	7.42
Xiamen Huicheng . . . . .	2,663,200	3.71
Xiamen Meitong Luqi . . . . .	2,481,500	3.46
Yujin Tongxing . . . . .	1,893,926	2.64
Jiaxing Mianmiao . . . . .	1,326,400	1.85
Mr. Lin Baojie (林報捷) . . . . .	551,200	0.77
Fujian Yongchun . . . . .	530,866	0.74
Minyin Sci-Tech . . . . .	329,137	0.46
Prolight . . . . .	176,955	0.25
<b>Total</b> . . . . .	<b>71,819,058</b>	<b>100.00</b>

*Note:*

Since November 9, 2023 and as of the Latest Practicable Date, Fujian Helihomei has been owned as to 58.90% by Mr. Tu, 20.55% by Mr. Zeng and 20.55% by Xiamen Zhongjiaxiu.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### Share Subdivision

We expect to conduct the Share Subdivision immediately prior to the [REDACTED], pursuant to which each of our Share with par value of RMB1.00 will be subdivided into [four] Shares with par value of RMB[0.25] each. Upon completion of such Share Subdivision, the registered capital of our Company, which is RMB71,819,058, will be divided into [287,276,232] Shares with par value of RMB[0.25] per Share, which will be subscribed by all our then Shareholders in proportion to their respective shareholding in our Company immediately before the [REDACTED], and the number of our issued Shares will be 287,276,232, without taking into consideration the new Shares to be issued pursuant to the [REDACTED].

### Our Major Subsidiaries

Since the establishment of our Company in 2015, we sought to expand our presence in the PRC and further our business development. We have acquired or established various subsidiaries to (i) manage and expand our sales network; and (ii) explore new business of digital risk management solutions.

The details of our major subsidiaries are set out as follows:

<u>No.</u>	<u>Entity name</u>	<u>Date of establishment</u>	<u>Place of establishment</u>	<u>Principal business activity</u>
1..	Baigebao Insurance Brokers Co., Ltd. (白鴿寶保險經紀有限公司)	January 14, 2002	PRC	Provision of insurance brokerage business and value-added telecommunications services
2..	Xiamen Bafang Tongchuang Network Technology Co., Ltd. (廈門八方同創網絡科技有限公司)	January 7, 2019	PRC	Provision of data processing and storage support services, information system integration services and information technology consulting services
3..	Shanghai Weizhijin Network Technology Co., Ltd. (上海偉之錦網絡技術有限公司)	October 31, 2018	PRC	Provision of technical services, technical development and information system integration services
4..	Xiamen Baigebao Network Technology Co., Ltd. (廈門白鴿保網絡科技有限公司)	March 14, 2017	PRC	Provision of technical services, technical development, information system integration services and professional design services

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### ACQUISITION, MERGERS AND DISPOSALS

Throughout the Track Record Period and up to the Latest Practicable Date, we did not conduct any major acquisitions or mergers.

### PRE-[REDACTED] INVESTMENTS

#### Principal terms

The table below summarizes the principal terms of the Pre-[REDACTED] Investments:

	Angel investment	Series A financing	Series A+ financing	Series B financing		Series C financing		
	Xiamen Huicheng	New Hope	Xiamen Meitong Luqi	Mr. Lin Baojie	Jiaxing Mianmiao	Prolight	Fujian Yongchun	Minyin Sci-Tech
Date of investment agreement(s) . . . . .	June 26, 2018	April 16, 2021	June 30, 2022	March 27, 2023	December 29, 2023	October 1, 2024	December 16, 2024	January 17, 2025
Date of which investment(s) was/were all settled . . . . .	July 25, 2018	May 19, 2023 <sup>(1)</sup>	July 1, 2022	June 1, 2023	February 19, 2024	December 11, 2024	December 20, 2024	January 20, 2025
Consideration (RMB) . . . . .	15.00 million	53.30 million <sup>(2)</sup>	19.80 million	8.00 million	19.25 million	5.00 million	15.00 million	9.30 million
Basis of determination of consideration. . . . .	The consideration for the Pre-[REDACTED] Investments received by us were determined based on arm’s length negotiations between the Company and the relevant Pre-[REDACTED] Investors with reference to agreed valuation at the relevant time of investment.							
Approximate investment cost per Share (RMB) <sup>(3)</sup> . . . . .	1.41	1.34	1.99	3.63	3.63	7.06	7.06	7.06
Discount to the [REDACTED] price <sup>(4)</sup> . . . . .	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Post-money valuation of our Company (RMB) . . . . .	353.00 million	355.00 million	550.00 million	1,027.00 million	1,027.00 million	2,029.00 million	2,029.00 million	2,029.00 million
Approximate shareholding in our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) . . . . .	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Angel investment	Series A financing	Series A+ financing	Series B financing		Series C financing		
Xiamen Huicheng	New Hope	Xiamen Meitong Luqi	Mr. Lin Baojie	Jiaxing Mianmiao	Prolight	Fujian Yongchun	Minyin Sci-Tech

**Strategic benefits to our Company** . . . . . At the time of the Pre-[REDACTED] Investments, our Directors were of the view that (i) our Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors and their knowledge and experience; and (ii) the Pre-[REDACTED] Investments demonstrated the Pre-[REDACTED] Investors’ confidence in the operation and development of our Group.

**Lock-up** . . . . . All existing Shareholders (including the Pre-[REDACTED] Investors) shall not dispose any of the Shares held by them within the 12 months following the [REDACTED] as required under the applicable PRC laws.

**Special rights** . . . . . Each of the Pre-[REDACTED] Investors had been granted certain special rights relating to our Company by our Company and/or certain Shareholders, including but not limited to pre-emption rights and repurchase rights. In anticipation of the [REDACTED], all such special rights granted to our Pre-[REDACTED] Investors [have been] terminated in compliance with Chapter 4.2 of the Guide.

**Use of proceeds** . . . . . The proceeds are intended to be used to support the working capital needs of our Group. As at the Latest Practicable Date, the net proceeds received by us from the Pre-[REDACTED] Investments had not been fully utilized and the unutilized amount was RMB64.3 million.

[REDACTED] . . . . . Upon completion of the [REDACTED] and the Conversion of [REDACTED] Shares into H Shares, all the H Shares held by the Pre-[REDACTED] Investors will be counted towards the [REDACTED] for the purpose of the Listing Rules, except for those held by (i) New Hope, which would become a substantial Shareholder (as defined in the Listing Rules) and (ii) Xiamen Huicheng, as Xiamen Huicheng is wholly owned by Mr. Wang Qianwei (王前偉), one of our non-executive Directors.

*Notes:*

- (1) The settlement date in respect of the capital increase was August 5, 2021, and the settlement date in respect of the equity transfer between New Hope and Fujian Helihomei was May 19, 2023. Please refer to the paragraph headed “— Our Group Companies — Our Company — Series A Financing” in this section for more details.
- (2) The total consideration comprises RMB30.00 million for the capital increase and RMB23.30 million for the equity transfer between New Hope and Fujian Helihomei. Please refer to the paragraph headed “— Our Group Companies — Our Company — Series A Financing” in this section for more details.
- (3) The cost per share is calculated based on dividing the consideration by the number of Shares subscribed or acquired as adjusted by the Share Subdivision to be undertaken immediately prior to the [REDACTED], to facilitate the illustration of premium or discount to the [REDACTED].
- (4) The discount to the [REDACTED] is calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED].

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### Information about the Pre-[REDACTED] Investors

#### *Xiamen Huicheng*

Xiamen Huicheng is a limited liability company incorporated in Xiamen, Fujian, the PRC in April 2014 with a registered capital of RMB10 million. Xiamen Huicheng primarily provides capital operation services. As of the Latest Practicable Date, Xiamen Huicheng was wholly owned by Mr. Wang Qianwei (王前偉), one of our non-executive Directors.

#### *New Hope*

New Hope was incorporated in the PRC on June 4, 2015 with a registered capital of RMB700 million. As of the Latest Practicable Date, New Hope was wholly owned by New Hope Holdings Group Co., Ltd. (新希望控股集團有限公司), a private enterprise incorporated in the PRC in 2019. New Hope Group Holdings Co., Ltd. is a wholly-owned subsidiary of New Hope Asia Pacific Investment Holdings Limited (新希望亞太投資控股有限公司), which was owned as to 99.25% by Lhasa Economic and Technological Development Zone New Hope Investment Co., Ltd. (拉薩經濟技術開發區新希望投資有限公司) and 0.75% by Mr. Liu Yonghao (劉永好), who is a PRC citizen. As of the Latest Practicable Date, Lhasa Economic and Technological Development Zone New Hope Investment Co., Ltd. was ultimately beneficially owned by Mr. Liu Yonghao.

#### *Xiamen Meitong Luqi*

Xiamen Meitong Luqi is a PRC limited partnership established in 2021, with a focus of investing in technology companies. As of the Latest Practicable Date, Xiamen Tiandi Equity Investment Co., Ltd. (廈門天地股權投資有限公司) was a limited partner holding 49.98% of the partnership interest in Xiamen Meitong Luqi and was ultimately owned by Xiamen Finance Bureau (廈門市財政局). Each of Ms. Zhang Jiangyan (張江豔), Ms. Li Linwen (李凌雯) and Mr. Zeng Junjie (曾俊傑), was an Independent Third Party and a limited partner holding 24.99%, 14.99% and 10.00% of the partnership interest in Xiamen Meitong Luqi, respectively. As of the Latest Practicable Date, Xiamen Meiya Wutong Private Equity Management Co., Ltd. (廈門市美亞梧桐私募基金管理有限公司), a PRC limited liability company, was a general partner holding 0.05% of the partnership interest in Xiamen Meitong Luqi. As of the Latest Practicable Date, Xiamen Meiya Wutong Private Equity Management Co., Ltd. (廈門市美亞梧桐私募基金管理有限公司) was beneficially owned by Mr. Yang Tianwei (楊天蔚), an Independent Third Party who is a PRC citizen.

#### *Mr. Lin Baojie (林報捷)*

Mr. Lin Baojie is an individual investor and has extensive investment experience in equity investment and asset management. He currently serves as the general manager of Xiamen Fengtian Investment Consulting Co., Ltd (廈門豐灝投資諮詢有限公司), a director and general manager of Nanjing Zhuocheng Runjia Wealth Management Co., Ltd. (南京卓成潤佳財富管理有限公司), and a general partner of Jiaying Tengyin Equity Investment Partnership (Limited Partnership) (嘉興騰寅股權投資合夥企業(有限合夥)). As of the Latest Practicable Date, Mr. Lin Baojie was an Independent Third Party who is a PRC citizen.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### *Jiaying Mianmiao*

Jiaying Mianmiao is a PRC limited partnership established in 2023. As of the Latest Practicable Date, Quanshun (Xiamen) Investment Co., Ltd. (泉舜(廈門)投資有限公司), Xiamen Ruizeng Technology Co., Ltd (廈門睿曾科技有限公司) and Fujian Henglong Investment Co., Ltd (福建恆隆投資有限公司), each being an Independent Third Party, were limited partners holding 34.91%, 32.42% and 14.96% of the partnership interest in Jiaying Mianmiao, respectively. Individual investors including Mr. Lin Jianjin (林建津), Mr. Lin Sen (林森) and Mr. Pan Anyuan (潘安源), each being an Independent Third Party, were limited partners holding 7.48%, 4.99% and 4.99% of the partnership interest in Jiaying Mianmiao, respectively. On the other hand, as of the Latest Practicable Date, Hangzhou Huazhi Rongke Investment Management Co., Ltd. (杭州華智融科投資管理有限公司) was the general partner holding 0.25% of the partnership interest in Jiaying Mianmiao. As of the Latest Practicable Date, the ultimate beneficial owner of the general partner was Mr. Wan Jianhua (萬建華), an Independent Third Party who is a PRC citizen.

### *Prolight*

Prolight is a limited liability company incorporated in Hong Kong on December 1, 2012. Prolight engages in fixed asset investment and equity investment in the Asia region and has over 10 years of investment experience. As of the Latest Practicable Date, Prolight was ultimately beneficially owned by Ms. Fu Chia Ling (傅嘉鈴), an Independent Third Party who is a citizen of Taiwan, the PRC.

### *Fujian Yongchun*

Fujian Yongchun is a PRC limited partnership established in 2023, primarily engaged in investment and assets management. As of the Latest Practicable Date, Fujian Fulvlianxin Capital Management Co., Ltd. (福建福旅聯信基金管理有限公司) was the general and executive partner holding 1.00% of the partnership interest in Fujian Yongchun. Yongchun County State-owned Assets Investment Operation Co., Ltd. (永春縣國有資產投資經營有限責任公司) was the limited partner holding 99.00% of the partnership interest in Fujian Yongchun. As of the Latest Practicable Date, the ultimate beneficial owner of the general and executive partner was Ms. Liao Baoqin (廖寶琴), an Independent Third Party who is a PRC citizen.

### *Minyin Sci-Tech*

Minyin Sci-Tech is a PRC limited partnership established in 2021, primarily engaged in investment management and fund management. As of the Latest Practicable Date, Fortune Asset Management (Shenzhen) Equity Investment Fund Management Co., Ltd. (富強資管(深圳)股權投資基金管理有限公司) was the general and executive partner holding 0.50% of the partnership interest in Minyin Sci-Tech, and CMBC International Investment (HK) Limited (民銀國際投資(香港)有限公司) was the limited partner holding 99.50% of the partnership interest in Minyin Sci-Tech. As of the Latest Practicable Date, the ultimate controller of the general and executive partner was Mr. Zhang Huachen (張華晨), an Independent Third Party who is a PRC citizen.



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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### Compliance with the Pre-[REDACTED] Investment Guidance

On the basis that (i) the consideration for each of the Pre-[REDACTED] Investments was settled more than 28 clear days before the date of our first submission of the listing application to the Stock Exchange; and (ii) all the special rights granted to the Pre-[REDACTED] Investors [have been] terminated in accordance with Chapter 4.2 of the Guide, the Joint Sponsors [confirm] that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the Guide.

### EQUITY INCENTIVE PLATFORM

In recognition of the contributions of our employees, Yujin Tongxing was established in the PRC as our equity incentive platform. For details, see the paragraph headed “— Our Group Companies — Our Company — Establishment of Yujin Tongxing” in this section.

As of the Latest Practicable Date, Yujin Tongxing was managed by Ms. Fan Chunhua (范春华), an employee of our Group, as executive managing partner and had 29 limited partners, including two Directors, two supervisors of our Company, five senior management members of our Company and 22 other existing employees of our Group, and directly held approximately 2.64% equity interest in our Company. Therefore, the H Shares held by Yujin Tongxing will not be considered as part of the public float of our Company upon [REDACTED] in accordance with Rule 8.08 of the Listing Rules.

### PUBLIC FLOAT

[REDACTED] H Shares will be converted from [REDACTED] Shares immediately following the Share Subdivision and controlled by our core connected persons or otherwise fall under the situations as contemplated under Rule 8.24 of the Listing Rules (representing approximately [REDACTED]% of our total issued Shares as of the Latest Practicable Date, approximately [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the Over-allotment Option is not exercised), or approximately [REDACTED]% of our total issued Shares (upon exercise of the [REDACTED] in full)). Therefore, [REDACTED] H Shares will not be considered as part of the [REDACTED] of our Company in accordance with Rule 8.08 of the Listing Rules.

In addition, [REDACTED] Shares (being [REDACTED] Shares immediately following the Share Subdivision) that will not be converted into H Shares (representing approximately [REDACTED]% of our total issued Shares as of the Latest Practicable Date, approximately [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] is not exercised), or approximately [REDACTED]% of our total issued Shares (upon exercise of the [REDACTED] in full)) will not be considered as part of the [REDACTED] of our Company, as the [REDACTED] Shares will not be converted into H Shares and will not be [REDACTED] following the completion of the [REDACTED].

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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To the best knowledge and information of our Directors, taking into account the Share Subdivision and the Conversion of [REDACTED] Shares into H Shares upon [REDACTED] and the [REDACTED], [REDACTED] H Shares (representing approximately [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] is not exercised), or [REDACTED] H Shares (representing approximately [REDACTED]% of our total issued Shares (upon exercise of the [REDACTED] in full) (both calculated based on the low-end of the indicative [REDACTED]) will be counted towards the public float of our Company in accordance with Rule 8.08 of the Listing Rules. Therefore, at least 25% of the issued share capital of our Company will be counted towards our public float immediately upon completion of the [REDACTED]. For further details of the Conversion of [REDACTED] Shares into H Shares, see “Share Capital” in this document.

### COMPLIANCE WITH PRC LAWS AND REGULATIONS

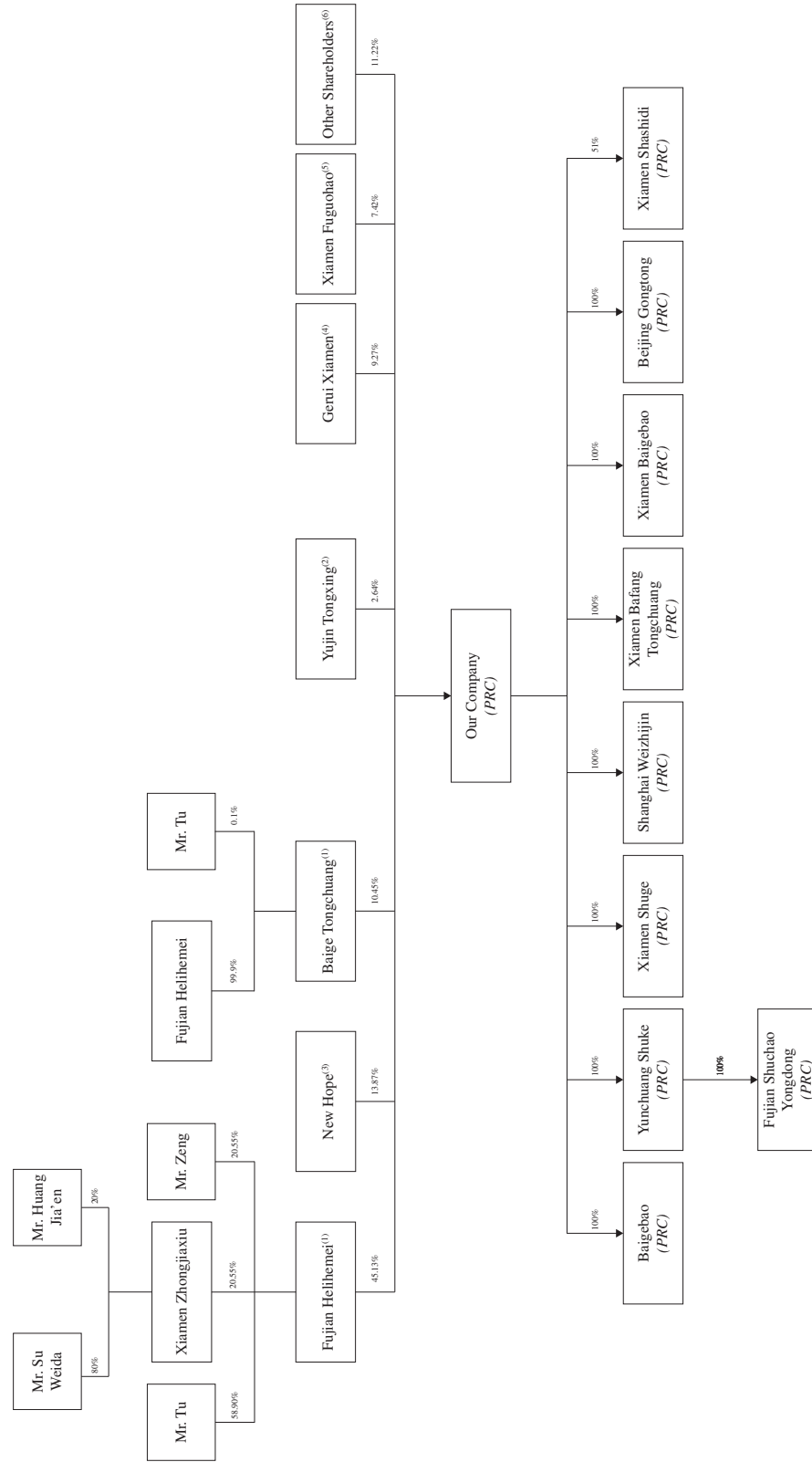
All the abovementioned capital increases and equity transfers of our Company and our subsidiaries are effective, legally completed, duly settled and in compliance with the PRC laws and regulations, and all permits, authorizations, approvals and consents necessary for the above transactions have been obtained from the relevant PRC governmental authorities.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### CORPORATE STRUCTURE

#### Corporate Structure as at the Latest Practicable Date

The following chart sets forth our corporate structure as at the Latest Practicable Date:



## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

*Notes:*

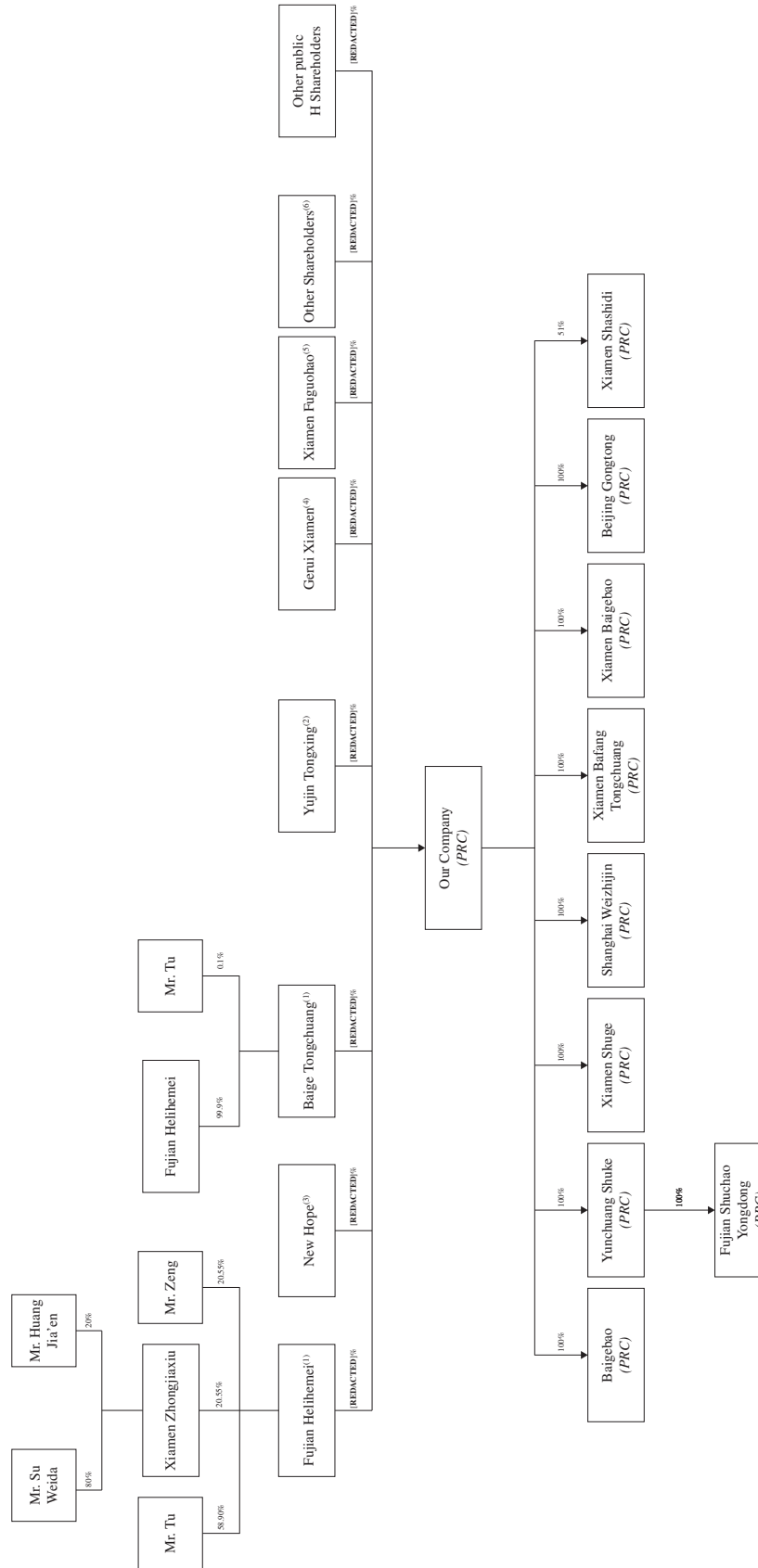
- (1) Fujian Helihemei is owned as to approximately 58.90% by Mr. Tu, approximately 20.55% by Xiamen Zhongjiaxiu (which is in turn owned as to 80% by Mr. Su Weida (蘇偉建) and 20% by Mr. Huang Jia'en (黃嘉恩)) and approximately 20.55% by Mr. Zeng. Baige Tongchuang is held as to 99.9% by Fujian Helihemei and 0.1% by Mr. Tu, with Mr. Tu as its executive partner. Mr. Tu, Xiamen Zhongjiaxiu, Mr. Su Weida, Mr. Huang Jia'en, Mr. Zeng and Baige Tongchuang have been acting in concert since November 9, 2023.
- (2) Yujin Tongxing, an equity incentive platform of our Company, is managed by Ms. Fan Chunhua (范春華), an employee of our Group, as executive partner.
- (3) The entire equity capital of New Hope is directly held by New Hope Holding Group Co., Ltd. (新希望控股集團有限公司) (“**New Hope Holding**”). The entire equity capital of New Hope Holding is indirectly wholly owned by Mr. Liu Yonghao (劉永好). For further information, please refer to the paragraph headed “— Pre-[REDACTED] Investments — Information about the Pre-[REDACTED] Investors” in this section.
- (4) Gerui Xiamen is held as to 99% by Mr. Zeng Siping (曾思平) and 1% by Ms. Ye Shuangni (葉雙妮), each being an Independent Third Party.
- (5) Xiamen Fuguohao is held as to 86.9% by Mr. Zeng Huanhui (曾煥輝) and 13.1% by Mr. Huang Hongyu (黃宏昱), both being Independent Third Parties.
- (6) Other Shareholders comprise the following:
  - a. 3.71% by Xiamen Huicheng;
  - b. 3.46% by Xiamen Meitong;
  - c. 1.85% by Jiaying Mianmiao;
  - d. 0.77% by Mr. Lin Baojie (林報捷);
  - e. 0.74% by Fuitian Yongchun;
  - f. 0.46% by Minyin Sci-Tech; and
  - g. 0.25% by Prolight.

For further information of the above Shareholders, please refer to the paragraph headed “— Pre-[REDACTED] Investments — Information about the Pre-[REDACTED] Investors” in this section.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### Corporate Structure Immediately Following the [REDACTED]

The following chart sets forth our corporate structure immediately after completion of the [REDACTED], assuming the [REDACTED] is not exercised:



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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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*Notes:*

Please refer to notes (1) to (5) in the paragraph headed “Corporate Structure as at the Latest Practicable Date” in this section.

- (6) Other Shareholders comprise the following:
- a. [REDACTED]% by Xiamen Huicheng;
  - b. [REDACTED]% by Xiamen Meitong;
  - c. [REDACTED]% by Jiaying Mianmiao;
  - d. [REDACTED]% by Mr. Lin Baojie (林報捷);
  - e. [REDACTED]% by Fuitan Yongchun;
  - f. [REDACTED]% by Minyin Sci-Tech; and
  - g. [REDACTED]% by Prolight.

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## BUSINESS

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### OVERVIEW

#### Who we are










We are a leading digital risk management solutions provider in the scenario-based insurance market in the PRC. By utilizing scenario-based insurance primarily as a tool, we generate revenue by providing innovative and technology-empowered risk management financial services, intelligent marketing and digitalization solutions and TPA services. According to the CIC Report, we ranked first among China’s scenario-based insurance digital risk management solutions providers with a market share of 4.4% in China in terms of revenue in 2023. The scenario-based insurance market in China has experienced constant growth with a market size (in terms of premium income) of RMB51.1 billion in 2019 to RMB79.4 billion in 2023, and will maintain a steady growth trend with an expectation to reach RMB130.1 billion in 2028, representing a CAGR of 10.4% between 2023 and 2028. Our total revenue grew from approximately RMB404.5 million for the year ended December 31, 2022 to approximately RMB659.9 million for the year ended December 31, 2023, and from approximately RMB454.2 million for the nine months ended September 30, 2023 to approximately RMB631.2 million for the nine months ended September 30, 2024. As a digital connector among insurance companies, scenario-based partners and end consumers, we strive to deliver customized digital risk management solutions to all ecosystem participants, covering risk assessment, risk prevention and risk intervention. We cooperate closely with upstream insurance companies and downstream scenario-based partners, and leverage our know-hows and accumulative data analysis, to integrate our offerings with services such as solution design, technology system infrastructure and delivery, customer service, compliance management and data analysis.

In 2016, we developed the “Big Data Full-process Risk Management System Infrastructure” (大數據全流程風險管理體系建設架構) to build a foundation for developing an integrated digital ecosystem cloud platform. Through the continuous accumulation of know-hows and enhancements of our big data model, we officially launched our Baige eBao SaaS application system in 2021. In 2024, we introduced MaaS powered by machine learning and AI to facilitate risk management, automate insights and support informed decision-making, and as of the Latest Practicable Date, we have submitted six patent applications for our MaaS-backed models. For details of those models, please refer to the paragraph headed “— Our Technologies and Research and Development — Technologies — MaaS”.

## BUSINESS

### What makes us different

Differentiated from traditional insurance intermediaries, we take a proactive approach to stimulate, identify and uncover the needs of risk management under different scenarios and transform a traditional approach to assess and tackle risks by providing digitalized and customized risk management solutions specifically tailored to different scenarios. Leveraging our robust digital and product innovation capabilities, we move beyond merely delivering standardized insurance products but focus more on providing comprehensive coverage that is specifically designed to manage the complex risks encountered by ecosystem partners in their day-to-day operations and by end consumers in their daily lives. Our accumulated know-hows equip us with capabilities to analyze and understand emerging risks and the evolving needs of ecosystem participants, we facilitate a dialogue between insurance companies, scenario-based partners and end consumers. Our offerings span nine ecosystems, such as mobility, healthcare and public services, ensuring a holistic approach to address different risks across various scenarios in more than one ecosystem. We have expanded our business portfolio to the following nine ecosystems and will continue to explore opportunities in more ecosystems:

Ecosystems	Applicable scenarios	Types of products	Scenario-based partners
 Mobility	<ul style="list-style-type: none"> <li>• Business travel</li> <li>• Public transportation</li> <li>• Shared ride-ons</li> <li>• Internet travel</li> </ul>	<ul style="list-style-type: none"> <li>• Travel insurance</li> <li>• Accident insurance</li> <li>• Liability insurance</li> </ul>	<ul style="list-style-type: none"> <li>• OTA and travel agencies</li> <li>• Public transportation providers</li> <li>• Shared ride-ons platforms</li> </ul>
 General human resources	<ul style="list-style-type: none"> <li>• Food delivery services</li> <li>• Car hail services</li> <li>• Domestic services</li> </ul>	<ul style="list-style-type: none"> <li>• Property insurance</li> <li>• Accident insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Errand service providers</li> <li>• Car-hailing services providers</li> <li>• Domestic service provider</li> </ul>
 Inclusive finance	<ul style="list-style-type: none"> <li>• Installment financing</li> <li>• Financial leasing</li> <li>• Mobile payment</li> <li>• Small loan</li> </ul>	<ul style="list-style-type: none"> <li>• Credit insurance</li> <li>• Surety insurance</li> <li>• Liability insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Banks</li> <li>• Financial institutions</li> <li>• Payment company</li> </ul>
 Auto services	<ul style="list-style-type: none"> <li>• Traffic accidents</li> <li>• Car sales</li> <li>• Car after-sales services</li> </ul>	<ul style="list-style-type: none"> <li>• Traffic accident insurance</li> <li>• Vehicle insurance</li> <li>• Liability insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Automobile enterprises</li> <li>• 4S stores</li> <li>• Car maintenance-beauty shop</li> </ul>
 Public services	<ul style="list-style-type: none"> <li>• Sports events</li> <li>• Domestic routine activities</li> <li>• Personal daily exercise-</li> <li>• Corporate property safety</li> </ul>	<ul style="list-style-type: none"> <li>• Liability insurance</li> <li>• Home property insurance</li> <li>• Corporate property insurance</li> <li>• Accident insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Sports events holders</li> <li>• Gas companies</li> <li>• Stadium operator</li> </ul>
 Medical and healthcare	<ul style="list-style-type: none"> <li>• Public medical healthcare</li> <li>• Elderly support</li> <li>• Surgery</li> <li>• Vaccine</li> </ul>	<ul style="list-style-type: none"> <li>• Accident insurance</li> <li>• Health insurance</li> <li>• Liability insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Public hospitals</li> <li>• Elderly support institutions</li> <li>• Governmental departments</li> </ul>
 Education	<ul style="list-style-type: none"> <li>• Student activities on campus</li> <li>• Training and examination</li> </ul>	<ul style="list-style-type: none"> <li>• Accident insurance</li> <li>• Exam Compensation Insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Schools</li> <li>• Educational institutions</li> </ul>
 E-engineering	<ul style="list-style-type: none"> <li>• Bidding for construction projects</li> <li>• Installation and repair</li> </ul>	<ul style="list-style-type: none"> <li>• Performance bond insurance</li> <li>• Contractors' all risks insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Construction companies</li> <li>• Governments</li> </ul>
 Logistics	<ul style="list-style-type: none"> <li>• Cargo storage</li> <li>• Packaging</li> <li>• Loading and unloading</li> <li>• Transportation</li> </ul>	<ul style="list-style-type: none"> <li>• Cargo insurance</li> <li>• Liability insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Logistics companies</li> <li>• Warehousing companies</li> <li>• Highway operators</li> </ul>



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The scenario-based and insurance-oriented approach empowers us to develop targeted strategies and solutions that enhance risk management, improve compliance and drive operational efficiency of our ecosystem. Our approach strives to ensure that each business decision is supported by an appropriate safety net, effectively addressing the unique needs of our ecosystem partners. Our offerings enable us to continuously accompany businesses and individuals, ensuring timely refinement and adaptation to address evolving risks and needs. Our digital risk management solutions cover various processes:

- (i) ***Risk and need identification:*** We actively locate and assess risks across different business scenarios of different enterprises in their respective ecosystems. The process involves analyzing specific environments and operational practices to pinpoint vulnerabilities and potential risks.
- (ii) ***Customization:*** Based on the identified risks, we customize digital risk management solutions that cater to the specific needs of our ecosystem partners. We have innovatively developed solutions featuring “instantaneousness and fragmentation” for specific scenarios involving high-frequency and short-term needs. We would propose full-process solutions to enterprises and collaboratively design insurance products with insurance companies.
- (iii) ***Digitalization and full-process coverage:*** Our partners’ back-end operating systems can be connected to our self-developed SaaS application system. The integration facilitates a seamless transmission of relevant data among all ecosystem participants during transactions, enabling timely applications. We tailor back-end infrastructures to deliver solutions in effective manners so that they can manage their operations more efficiently, providing an experience that encompasses the entire insurance lifecycle, from sales and policy management to claims processing and customer service.
- (iv) ***Continuous data-driven refinery of our solutions:*** The SaaS application system enables us to collect and analyze data in real-time throughout the operations of our solutions, including but not limited to sales, claims, operation, complaints, personal information and market feedback data, for ongoing tracking and iterations. We consistently collect and review feedback, continuously enhance our big data models to improve every aspect of our current digital risk management solutions and apply them to different needs under similar scenarios and share our analysis and insights with our scenario-based partners and insurance companies.

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The table below highlights the differences between traditional and our approaches to solutions development:

	<u>Traditional approach</u>	<u>Our approach</u>
<b>Insurance policy . . .</b>	Insurance is purchased by enterprises based on the projected business scale during the insurance period, and “large policies” are underwritten in a single lump sum.	Insurance is designed to cater to the risks and needs in each scenario. For example, most insurance products designed by us are fragmented into shorter timeframes and are purchased based on actual usage and needs, which provide a more precise risk coverage.
<b>Pricing . . . . .</b>	Pricing is primarily based on industry-wide data and historical experience. As the traditional approach relies on industry-wide data and is based yearly dimensional statistics, it requires a long cycle for price optimization. This approach prices in higher trial-and-error risks.	Fragmented insurance offers short liability periods for each policy. It allows for flexible determination of rate levels based on the overall operational status of each scenario, enabling timely adjustments or the option to withdraw as needed, achieving high cost-effectiveness.
<b>Payment . . . . .</b>	Customers make one-off payment or installment payments over the policy period. The actual premium payments will exceed the necessary coverage if the business scale does not meet expectations.	Premiums are paid based on specific policies within the agreed settlement cycle, allowing for on-demand insurance and avoiding unnecessary costs.
<b>Claims processing . .</b>	General customer services of insurance companies cannot manage specific scenarios, affecting the overall service efficiency. The insureds cannot receive customized targeted services.	We provide a professional service team with a deep understanding of business scenarios, effectively guiding policyholders in emergency handling. We assist policyholders in preparing necessary materials, improving the accuracy and the timeliness of claims processing.

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	<b>Traditional approach</b>	<b>Our approach</b>
<b>Risk management</b>	It is difficult for insurance companies to obtain real-time insurance policy data, causing effective data analysis and risk management difficult.	Our real-time statistics on policy and claim information enable effective analysis of various risk factors. Periodic claims service reports provide comprehensive operational optimization recommendations tailored to different management teams, regions, timeframes and risk factors.

For example, a scenario-based enterprise providing shared bike services would automatically purchase an insurance policy for each user rider covering the period from the moment such user unlocks a bicycle until the ride is completed. We not only design insurance products that tackle the specific risks associated with relatively short-distance riding but also analyze insurance policies in granular time intervals, enabling a one-to-one correspondence among insurance coverage, insured periods and associated risks. Our digital capabilities are crucial for fragmentation and the instantaneous generation of insurance policies to meet the high-frequency and short-term insurance application needs of the enterprise. We also offer professional customer service personnel to improve the accuracy of claims filing and the timeliness of case resolution. For more details, please refer to “— Services and Solutions We Provide — Risk management financial services — Case studies.”

Under this business model, which connects various upstream and downstream enterprises with our risk management solutions and digital platforms, we derive revenue primarily from (i) risk management financial services, from which we receive commissions from insurance companies for assisting them in achieving successful delivery of insurance products underwritten by them, (ii) intelligent marketing and digitalization solutions, which include project fees paid by various enterprises, and (iii) TPA service fees primarily paid by insurance companies. Our sales channels comprise (i) sales through channel partners, where we identify risks in business scenarios and via whom we acquire the end consumer resources and deliver insurance products underwritten by insurance companies to end insureds, and in return, we pay referral fees and service fees to our channel partners for successful purchase of insurance products by end insureds; and (ii) sales through individual insurance brokers, whom we engage to promote and distribute insurance products, and in return, we pay commissions to individual insurance brokers for successful purchase of insurance products by end insureds.

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### What we have achieved

During the Track Record Period, we experienced significant growth in revenue and gross profit. The table below sets forth our revenue and gross profit from our continuing operations during the Track Record Period:

	For the year ended December 31,		For the nine months ended September 30,	
	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue . . . . .	404,524	659,902	454,187	631,191
Gross profit . . . . .	33,505	52,050	34,951	50,610

The following graph sets forth our operating highlights as of the Latest Practicable Date:



### OUR COMPETITIVE STRENGTHS

We believe the following strengths contribute to our success and differentiate us from our competitors:

#### Leading digital risk management solutions provider in the scenario-based insurance market in the PRC

We are a leading digital risk management solutions provider in the scenario-based insurance market in the PRC. By utilizing scenario-based insurance primarily as a tool, we generate revenue by providing innovative and technology-empowered risk management financial services, intelligent marketing and digitalization solutions and TPA services. According to the CIC Report, we ranked first among China's scenario-based insurance digital risk management solutions providers with a market share of 4.4% in China in terms of revenue. According to the CIC report, our business indicators, such as technical indicators and operational indicators, are far higher than those of the other digital risk management solution providers in terms of scenario insurance, demonstrating our strong competitiveness and technological strength in the field of digital risk management.

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Dedicated to offering comprehensive three-in-one digital risk management solutions covering risk assessment, risk prevention and risk intervention, we customize solutions for our ecosystem participants and provide a full-process digital application and big data model services, exploring a new approach to universalize risk protection. During the Track Record Period, our total revenue increased from RMB404.5 million in 2022 to RMB659.9 million in 2023, with a growth rate of 63.1%, and increased from RMB454.2 million for the nine months ended September 30, 2023 to RMB631.2 million for the nine months ended September 30, 2024, with a growth rate of 39.0%.

We have received multiple honors and industry recognitions, including but not limited to, Xiamen “Specialized, Refinement, Differential and Innovation” Enterprise (廈門市「專精特新」企業), 2023 Top 10 FinTech Enterprises” in Global FinTech Venture Competition (2023年全球金融科技創業大賽“金融科技10強企業”), KPMG China Leading FinTech Top 50 (2021, 2022, 2023) (畢馬威中國領先金融科技50強(2021、2022、2023)) and Small Giant Enterprise of Science and Technology in Fujian Province (福建省科技小巨人企業).

### **Outstanding solution customization and innovation capabilities to meet the risk management needs in diverse scenarios**

In the context of the rapid development of digital economy, new business models such as sharing economy, real-time delivery and mobile payments continue to emerge, giving rise to new types of risks in new scenarios, and the demand for new insurance coverage is rising accordingly.

We believe our unique strengths lie in providing risk management solutions to ecosystem participants under different scenarios and accumulated know-hows. We have developed more than 1,400 customized insurance products, covering risks in the “9+N ecosystems” and 68 segmented scenarios, in the areas of mobility, general human resources, inclusive finance, medical and healthcare, public services, education, auto services, e-engineering and logistics.

With our in-depth understanding of business operations and risk management needs of our scenario-based partners, we are able to design customized digital risk management solutions, enabling our scenario-based partners to manage their risks effectively and efficiently. On the other hand, we also have a deep understanding of insurance products, insurance company and financial compliance operations, allowing us to assist insurance companies in underwriting insurance products. The modularization of our technology service system enables us to quickly reuse and expand existing mature modules to meet complex business requirements in new scenarios at relatively low R&D costs. We can typically customize and develop corresponding risk solutions within seven days at the soonest based on the needs of scenario-based partners.

As scenarios become more diverse, we accumulate unique experience in scenario identification, demand perception and solution digitalization. By aggregating various scenarios within the same ecosystem, we establish know-hows on key elements of product development, such as policyholder selection, payment methods and transaction forms. Furthermore, by

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analyzing the ecological data constantly accumulated in the course of providing insurance solutions, we gain further insights into the business operations and the risk management needs of our scenario-based partners, allowing us to continuously enhance our offering capabilities.

We have received numerous honors and industry recognition, including but not limited to: the People’s Bank of China’s “Digital Finance” Outstanding Case Enterprise (中國人民銀行“數字金融”優秀案例企業), the “Most Innovative Award” of the 3rd Global Fintech Application Scenario Competition (第三屆全球金融科技應用場景大賽“最具創新獎”), the “Best Intelligent Risk Control Architecture of the Year” of the 5th Digital Economy and Technology Conference (第五屆數字經濟科技大會“年度最佳智能風控構建獎”)

### **Long-term stable cooperation with scenario-based partners and insurance companies, with potential for business growth**

We have built long-term collaborations and deep integration with leading companies in specific scenarios such as Hellobike (哈囉出行), VarifFlight (飛常準), Yancheng City Big Data Group Co., Ltd (鹽城市大數據集團有限公司) and Xiamen Credit Information Technology Co., Ltd. (廈門信用信息技術有限公司). We believe we have established business barrier, maintaining a stable project retention rate in 2024 (excluding companies which have ceased operations). Since our collaboration with Hellobike commenced in 2018, we have offered comprehensive full-process services covering reporting, claims, digital risk control and joint marketing, deeply binding ourselves and our cooperation with their business operations. Meanwhile, our outstanding risk management service capabilities have gained industry recognition. With the support of leading benchmark enterprises, we can rapidly replicate scalable business models to and among small and medium-sized enterprises in similar scenarios, enhancing our bargaining power to increase revenue while reducing the marginal costs of solutions development. We believe that our customized digital risk management solutions can help enterprises achieve high-quality development and achieve full-lifecycle cooperation.

After around eight years of development, we have established stable strategic partnerships with over 70 well-known insurance companies in China and have achieved API interface docking, laying the foundation for the customization and rapid launch of insurance products. According to market practice, it usually takes approximately three to six months to establish business and complete API interface docking with insurance companies. We provide insurance companies with full-process digital technology support, offering unique value in terms of quality control with our comprehensive data insights, which makes insurance companies more inclined to cooperate with us on revenue sharing because of the relatively low decision-making costs and high profit margins. Our scenario-based partner stickiness is extremely strong, with stable project retention rate in 2024. We have provided marketing and management system development support for insurance companies and also 24/7, year-round after-sales service specifically for customized projects.

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We leverage our collaboration with scenario-based partners and insurance companies as a starting point, effectively reducing customer acquisition costs while gaining significant traffic to reach end consumers, and thus enabling these end-users to understand the insurance. This prompted us to innovatively create two major platforms: Baige LeBao (白鴿樂保) and Baige TanBao (白鴿探保) for secondary conversion. Baige LeBao is positioned as a user operation platform to deepen our engagement with end consumers. Baige Tanbao, on the other hand, serves as an internet tool for individual insurance brokers, facilitating the conversion of end consumers to our individual insurance brokers after acquiring insurance brokerage certificate, further enriching our insurance sales channels. As of September 30, 2024, more than 223,000 policies have been delivered on Baige TanBao since its launch.

### **Technology driven service solutions covering lifecycle of insurance business**

Our self-developed full-process risk management technology service platform, Baige eBao (白鴿e保), is one of the core platforms we use to produce and deliver high-quality products efficiently across diverse scenarios. Focusing on the digital risk management industry, Baige eBao offers digital solution processes that align with the business nodes of risk management, providing insurance companies with customized risk management solutions covering the entire process of intelligent insurance application, policy management, claims processing, customer service, data analysis and financial management.

As a digital connector among insurance companies, scenario-based partners and end consumers, we utilize SaaS application system and API interfaces to seamlessly connect our ecosystem participants, reframing the approach for the public to access insurance protection. Our service is fully integrated into the business systems of the ecosystem partners, enabling automated and seamless transmission of data upon transactions conducted by end consumers.

Our insurance application system supports automatic completion of insurance applications and granular and piece-by-piece generation of insurance policies. We employ dynamic configuration technology to ensure efficiency and stability under high concurrency, with processing speeds reaching up to 100,000 policies per second, nearly no packet loss and no delay. Our daily policy processing capacity can exceed 50 million, placing us at an industry-leading level. The claims management platform enables online reporting, OCR recognition by the system, tracking of claims progress and other online claim functions, with an online reporting response time of under three minutes. Such technological advantages enable us to provide fragmented and instantaneous risk management solutions, demonstrated by our collaboration with Hellobike (哈囉出行) as a typical example.

We are deeply bound to scenario-based partners, combining end insureds’ behavioral data to offer refined after-sales insurance services that enhance user experience and effectively reduce complaint rates for both scenario-based partners and the insurance companies. For example, in the mobility ecosystem, we provide a one-click reporting interface that quickly retrieves relevant travel and insurance policy information based on the personal information provided by the end user, along with professional claims guidance.

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Baige eBao also ensures system and data security through web application firewalls and sensitive data masking. We possess Level III Filing Certification of Information System Security Protection, guaranteeing safety of insurance data.

The technical strength of our Baige eBao SaaS platform has been widely recognized by the industry. In 2021, it was ranked as one of the “Top 20 Insurance Digitalization Application” (2021保險數字化應用) and won the third prize at the Second Xiamen Municipal Fintech Excellent Project Competition (第二屆廈門市金融科技優秀項目三等獎) co-organized by the PBOC Xiamen Branch, Xiamen Municipal Financial Supervision Administration, Xiamen Regulatory Bureau of CSRC, Xiamen Regulatory Bureau of CBIRC and Xiamen Regulatory Bureau of the Ministry of Finance. In this regard, we have been listed in the Fintech Innovation and Supervision Application Enterprises selected by the PBOC.

### **Application of big data empowering ecosystem partners**

As of the Latest Practicable Date, we have connected over 302 million end insureds, enabling us to expand our database and strengthen our understanding of end insureds’ profiles. Based on 68 types of scenarios, we have accumulated data of above 8.4 billion insurance policies and more than 200,000 claim reports. Our rich data dimensions cover 168 types of sub-indicators. For example, sub-indicators under the mobility ecosystem include the city and frequency of travel, while sub-indicators under the healthcare ecosystem include medical records and health predictions.

Our extensive and continuous data accumulation, combined with our strong multi-scenario data mining capabilities, enable us to build intelligent risk management models and generate valuable insights and deliver comprehensive analysis to our ecosystem partners.

We are capable of breaking down insurance data, which is traditionally on a yearly dimension, into minutes and even second intervals, enabling a more precise alignment between coverage, associated risks and costs, while also facilitating the acquisition of data with greater granularity. We can break through the technical limitations of traditional “large policies” with vague estimates, providing professional data analysis on risk dimensions, overall compensation levels and the feasibility of insurance companies undertaking business, which serves as a strong support for scenario users and insurance companies to agree on reasonable premiums, ensuring the sustainable operation of insurance products we designed.

Through in-depth analysis of multi-dimensional information such as market trends, user behavior and historical compensation data, we can provide scenario-based partners with precise risk identification reports and preventive strategy recommendations, reducing the frequency of claims and thereby lowering premiums. Furthermore, we can also assist scenario-based partners in improving the effectiveness of their marketing strategy and business development through data analysis.

Based on data of regions, similar injury types and treatments, we can provide auxiliary decision-making for premium amounts and claim amounts based on historical data trends, helping insurance companies reduce claims and losses. The unique application value of our data insights has attracted a large number of insurance companies to cooperate. Our advanced data analysis capabilities can significantly lower the claims and loss ratios for insurance companies, fostering a strong and long-term partnership.



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We are progressively refining the layout of our big data model. While iteratively upgrading our digital intelligence infrastructure, we are developing MaaS-backed models, which include Ark Forewarning (方舟), Feimiao Pricing (飛秒), Zhitong Forecasting (智瞳), Intelligent Recommendation (樂薦), Insight Analysis (睿析) and Credit Verification (鑒信). On the one hand, functions such as scenario risk prediction, intelligent premium pricing and insurance claim forecasting empower the efficient generation of customized solutions. On the other hand, we continuously expand the productization of our large model services, progressively achieving a transformation from “business-driven data” to “data-driven business”. For more details, please refer to the section headed “— Our Technologies and Research and Development — Technologies — MaaS.”

In addition, we officially became a member of the Finance and Insurance Special Committee of East China Jiangsu Big Data Exchange (華東江蘇大數據交易中心金融保險專委會) in November 2024, laying the foundation for the future release and trading of general data products, which helps to further unleash the value of data elements.

We have a deep accumulation of digital intelligence technology, with around one third of our employees being R&D personnel. We have established joint technical research institutes, graduate workstations and production and research bases for production and research cooperations with universities such as Xiamen University and Huaqiao University in order to master core technologies such as high-concurrency architecture, intelligent search, knowledge extraction, data mining and risk monitoring, and provide a strong underlying buttress for data insights and applications.

### **An experienced management team with visionary leadership, competitive mindset and excellent execution capabilities**

We have an experienced and stable management team. Our founder and chief executive officer, Mr. Tu, was admitted to Ping An’s 18th marketing cadre training class (平安保險第18屆營銷幹部組訓班) and served as the head of a branch of Ping An Life Insurance. Mr. Tu has always been committed to integrating insurance into daily life scenarios of the public. Mr. Tu has successfully launched multiple ventures in the real economy, bringing extensive business and management experience, as well as keen insights into industry cycles and trends. He has over 24 years of experience in the insurance sector. Several of our core executives came from the insurance industry and have held key positions in top insurance institutions. They have unique insights into insurance needs and product design. Among them, Mr. Liu Xiaomin, our executive vice president, focuses on insurance innovation business and has professional experience and technical accumulation in the field of digital insurance. In addition, Mr. Pan Jianfeng, the head of the Technology and Data R&D Center, has worked in the fields of big data and software development at leading technology companies for more than 20 years. The comprehensive experience of our management team in the insurance, financial and internet industries, as well as their strong execution ability, paves the way for the successful operation of our business.

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### OUR STRATEGIES

#### **Centered at the national goal of building a “financial powerhouse”, continuously supporting the transformation and upgrade of the risk management and insurance industries**

We take the high-quality transformation and development of China’s financial services industry as our mission and centered at the strategic goal of building a “financial powerhouse” for China, we aim at building a risk management ecosystem that is integrated into various scenarios and realizing the simple idea of promoting insurance inclusive services to thousands of households. In particular, we are committed to solving the major hurdles in the development of China’s insurance industry through advanced technology and innovative scenario concept:

1. ***Enhancing accessibility and acceptance of risk management:*** Through various digital lifestyle service scenarios and launching solutions and products which precisely cater to the need of individuals, we streamline insurance application process to reduce the cost of consumer education. We are committed to building trust and awareness around insurance, driving higher penetration rates, and ultimately empowering consumers to make informed decisions about their financial protection.
2. ***Diversifying digital risk management solutions for diverse needs:*** To effectively cater to the diverse needs of individuals and businesses, we aim to develop a broader range of technology-empowered digital risk management solutions. By providing tailored insurance products based on scenarios, we seek to genuinely address the pain points of new business models, continuously foster the constant development of new business models, and achieve comprehensive coverage of the insurance industry ecosystem.
3. ***Solving the problem of difficult insurance pricing:*** By continuously investing in the fields of big data and AI, combined with massive scenario usage and claims data, we built the “Feimiao Pricing” model to provide dynamic intelligent pricing for fragmented insurance in new scenarios.
4. ***Solving the problem of excessively high transaction costs with fragmented insurance:*** By leveraging our advanced digital capabilities, we are able to identify the exact needs of the insureds in various scenarios more accurately and offer customized insurance products without excessive costs.

#### **Empowering more participants in the value chain to enhance our profitability**

- ***Scenario-based partners:***

Based on our full-process risk management technology service platform “Baige eBao”, we plan to expand our solutions to more scenario partners, further extending from digital economy scenarios to more real economy scenarios.

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We will continue to solidify the benchmarking standard of leading enterprises in different scenarios and, by relying on mature products and technological capabilities, actively seek collaboration opportunities with small and medium-sized scenario partners in the same scenarios to reduce the marginal cost of services.

We aim to accelerate the transformation in our profit models, leveraging our MaaS to provide risk assessment and management consulting services externally, entering a new phase of “data productization”.

- ***Insurance companies:***

We plan to continuously consolidate and expand our cooperation with well-known domestic insurance companies to jointly develop more scenario-based insurance products and further open up data interfaces. For insurance company branches with strong digital upgrade needs but limited technical capabilities, we will provide them with a full range of technological production elements. At the same time, we will offer MaaS-backed models to insurance companies, providing real-time AI driven data insights and decision-making support.

We currently have 12 branches nationwide, each responsible for business cooperation with local insurance companies. Therefore, we plan to establish more branches as a means of business expansion and to build corresponding service networks based on our deep understanding of the insurance industry and our technical capabilities.

- ***Individual insurance brokers:***

We will fully leverage our internet business tools for individual insurance brokers, Baige TanBao, to create a borderless cooperation model among insurance institutions, individual insurance brokers and consumers through technological empowerment. As of the Latest Practicable Date, we had provided Baige TanBao tool for different individuals ranging from professional insurance consultants to qualified end consumers to act as our individual insurance brokers, and in the future, we will also commit to transforming participants from different scenarios into our individual insurance brokers to give full play to participants’ understanding of the scenarios and marketing capabilities.

- ***Governments:***

We are committed to developing closer cooperation with local governments. Based on our data reserves and analysis capabilities for different scenarios, we can help local governments achieve better risk management resolutions in public governance (including but not limited to public transportation, public health, transportation logistics and other fields) through a joint operation model to improve the government’s digital risk control capabilities, while also enhancing our Group’s own business scale and the commercial and social value it generates.

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### **Increasing investment in research and technologies**

We will increase our investment in our current technology solutions to enhance our value propositions to more participants in the value chain. We plan to continuously invest in the fields of big data and AI through data collection, optimization of algorithms and upgrading computing power. This technology-related investment will further enhance our MaaS, strengthen our insights into scenario data and improve our service dimension and operational efficiency. As our MaaS and its underlying logic developed into a cohesive system and are continuously consummated, we will have a more solid system construction and stronger capabilities to integrate customized applications and solutions for different application scenarios, enabling us to maintain our technological leadership in the industry. Some components of our big data model have already been instrumentalized, empowering the internal product customization process, and in the future we will further realize the productization of MaaS outputs.

We plan to cooperate with well-known domestic technology companies in intelligent big models to strengthen the multimodal learning and joint learning of MaaS, build a knowledge graph in the field of risk management, and further enhance the service capabilities of MaaS.

We plan to continue to attract and retain outstanding talents in the fields of AI, big data algorithms, digital risk management and product development to strengthen our R&D team and enhance our technical capabilities, to seize new opportunities in the era of big data and AI.

With the rapid business growth and increase in R&D manpower to cater the business need, we intend to establish an R&D center in Xiamen to accommodate the newly recruited talents, providing the R&D team with a higher-quality work environment and hardware support.

To meet the needs of business expansion and data security, we plan to procure advanced hardware, including but not limited to, firewall and intrusion detection/prevention systems, web application firewall, data encryption tools and security information and event management system. We will also increase our investment in software annual service subscriptions and maintenance, cloud security services and managed security services to construct a strong cybersecurity protection system.

### **Enhancing our brand awareness and market share**

Currently, we primarily rely on the traffic from our collaborating channel partners to deliver customized insurance products. We plan to accumulate our own traffic through marketing and promotional activities, enhancing the willingness of scenario-based partners to collaborate with us. We aim to conduct precision user operations for local living and carry out marketing activities through emerging online traffic channels, renowned internet terminals and media platforms to improve our brand image.

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We also plan to set up a data and risk management achievement library at the R&D center to build an intelligent exhibition hall that systematically collects and displays past R&D achievements, facilitating product integration, promotion and reuse. In our intelligent exhibition hall, visitors can interact with our exhibited items representing different scenarios to understand how we take a proactive approach to identify and stimulate the needs of risk management in scenarios and transform a traditional approach to provide a full-process coverage. The immersive learning experience not only educates but strengthens their risk management awareness and enhances the connection among all ecosystem participants.

### **Prudent investment and acquisition in the insurance ecosystem and cutting-edge digital technologies**

In addition to developing our own business, we may cautiously seek potential investment or upstream and/or downstream merger and acquisition opportunities in the global insurance ecosystem. When opportunities arise, we will expand our business operations and increase our market share by investing in and/or acquiring target companies in the same industry or scenario ecology. Centered at AI and underlying data processing technologies, we are also considering investing in and/or acquiring technology companies that match our digital risk management services to further enhance our technical level and innovation capabilities. When selecting investment and acquisition targets, we will primarily consider whether they have a mature and stable business model, as well as whether they can complement our business and strategically coordinate with us in terms of resource channels, R&D technologies and talent teams.

### **Partnering with Chinese enterprises to globalization**

Collaborating with Chinese enterprises to expand overseas, we aim to provide insurance services for overseas business operations of Chinese companies to replicate their successful domestic business models abroad. By strengthening our cooperation with overseas insurance companies, we will extend our digital risk management services to new economic scenarios abroad. We plan to invest in or acquire overseas insurance intermediaries to expand our business channels locally in a more time- and cost-effective manner. At the same time, we will establish R&D centers and local teams overseas to lay the foundation for deep business integration internationally.

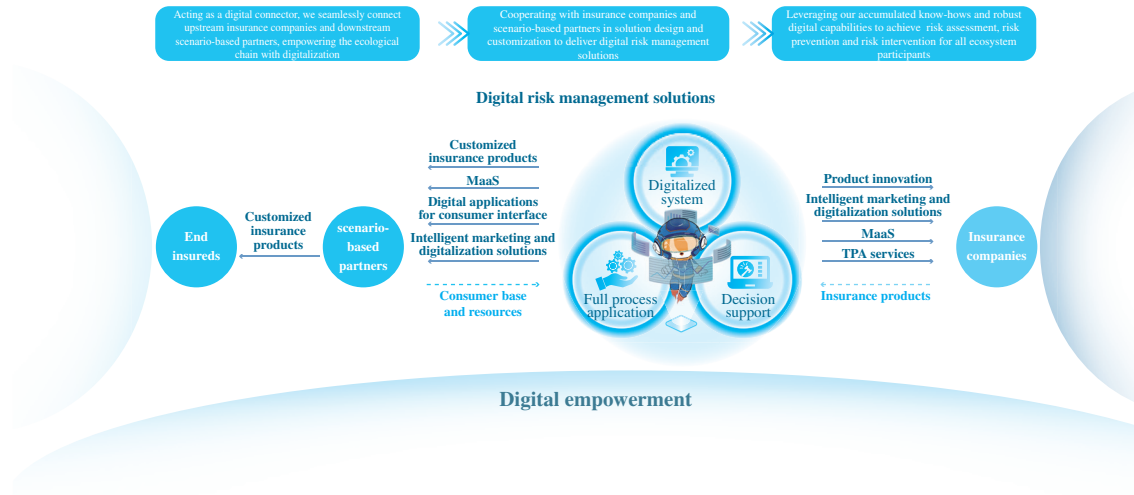
## **OUR BUSINESS MODEL**

With the rapid change of macro-environment, such as the growth of the sharing economy and mobile payment, alongside the increasing trend of digital industrial transformation, there is a rising demand for customized digital risk management solutions tailored to diverse risks and needs across various scenarios. These solutions aim to reduce costs and enhance business efficacy. Traditional insurance companies and risk management intermediaries may not be able to precisely identify specific risks and react responsively to corresponding needs under various scenarios, leading to a gap between solution providers and customers. We act as a digital connector to eliminate the gap between insurance companies and scenario-based partners in the “9+N Ecosystems”. We actively identify the specific needs and provide comprehensive digital risk management solutions covering risk assessment, risk prevention and risk coverage for both sides more precisely and efficiently.

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### Our business network

As a provider of digital risk management solutions, we have built a close cooperation network with insurance companies and scenario-based partners. The diagram below illustrates our business network:



#### *For end insureds:*

We are committed to fostering a comprehensive risk management environment that empowers individuals with the tools and support necessary to navigate risks confidently. End insureds can seamlessly access insurance products and manage their policies and claims settlement intelligently through our partners’ platforms, which are connected to our self-developed SaaS application system. Our key value offerings include:

- **Strengthened risk management awareness:** Our risk management informative articles are displayed on the banner of our downstream scenario-based partners’ operating platforms, empowering individuals to identify and assess potential risks and make informative decisions.
- **Customized product offerings:** We facilitate a greater acceptance of risk protection schemes through our tailored solutions that are deeply integrated into the scenario-based trading services process. Our customization is centered around our understanding of business operations under different scenarios and oriented by risks faced by end insureds in those scenarios. For instance, fragmented insurance policies ensure a direct alignment among insurance premium, insurance coverage and associated risks, and make insurance comparatively affordable to end insureds.
- **Enhanced customer experience:** Our digital platforms streamline the insurance application process, configure different digital insurance forms according to different scenarios and make policy management and claims easier and more efficient. We provide continuous support throughout the policy lifecycle, including claims assistance and risk early warning and risk control advice, fostering a secure environment among our end insureds.

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## BUSINESS

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***For downstream scenario-based partners:***

We actively identify the risks they encounter under different scenarios and design appropriate digital risk management solutions. We view customized insurance products as tools to achieve risk management purposes by building operational infrastructure and provide intelligent marketing and digitalization solutions to support their business development, thereby streamlining their processes and enhancing operational resilience. Our key value offerings include:

- ***Risk assessment and risk prevention:*** We evaluate the risks of scenario-based partners in different business scenarios and connect our SaaS risk management system with their systems, allowing them to manage risks across multiple dimensions.
  1. ***Value-added services:*** Our solutions are integrated into their day-to-day operation activities, enhancing their overall efficiency and effectiveness. By incorporating our solutions into their existing workflows, these companies can offer improved security and assurance to their customers.
  2. ***Technological integration:*** We provide digital platforms and tools that offer access to data analysis insights based on a wide range of data, including claims and incident statistics, and relevant reports. The data insights help scenario-based partners to effectively track, analyze and mitigate risks, enhancing overall safety and operational effectiveness.
  3. ***Minimizing risk management costs:*** We have innovatively developed solutions featuring “instantaneousness and fragmentation”, which break down “large policies”, precisely narrowing the coverage period and coverage scope to necessary coverage and hence reducing overall costs borne by enterprises in the traditional model.
- ***Risk intervention:*** In instances where identified risks materialize as incidents, end insureds are covered by insurance policies, minimizing the financial uncertainties faced by enterprises.

Leveraging our accumulated know-hows and through continuous understanding of our scenario-based partners and their consumers, we integrate diverse end consumer bases and, through comprehensive analysis, identify their specific needs and preferences. We strategically re-introduce end consumers to various scenario-based partners whose offerings are able to align with their interests. Our self-developed SaaS application system is designed to facilitate collaboration and data sharing among our partners. These systems are built with user-friendliness and efficiency in mind, ensuring that our scenario-based partners can easily access and manage their client-facing functions as well as their internal logistics.

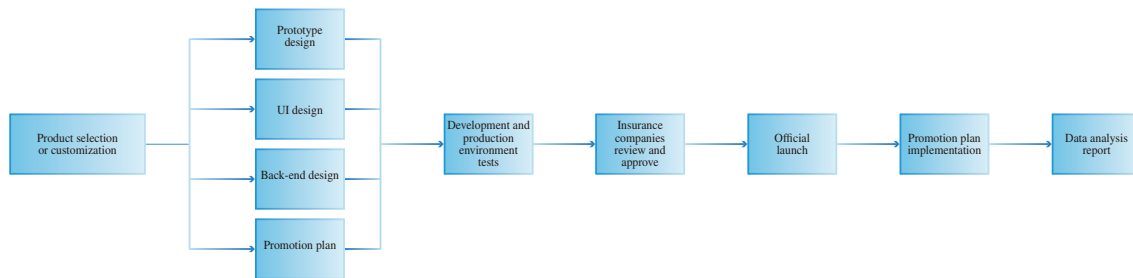
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## BUSINESS

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### *For upstream insurance companies:*

Leveraging our deep understanding of potential end insureds’ profiles and strong data analysis capabilities, we assist insurance companies in identifying the real needs of scenario-based partners in the “9+N Ecosystems” under different scenarios and collaborate with them to design, develop and refine insurance products. The following chart sets out the process of developing customized insurance products with insurance companies:



Our accumulated market data, coupled with our insights into market trends, operational risk points of each scenario and the potential end insureds’ preferences, enable us to facilitate the development of innovative solutions, ensuring that insurance products are customer-oriented and precisely positioned. This entails the development and pricing of new or refined insurance products and the relevant logistics involved in their distribution and ongoing administration. Currently, we have successfully delivered more than 1,400 customized insurance products.

Along with customized insurance products, we also provide upstream insurance companies with intelligent marketing and digitalization solutions to help our partners with business growth and streamline the risk management process. Leveraging our accumulated know-hows and through continuous understanding of our partners and their consumers, we integrate diverse end consumer bases and, through comprehensive analysis, identify their specific needs and preferences. Our self-developed SaaS application system is designed to facilitate collaboration and data sharing among our partners. We have further developed six MaaS-backed models assisting partners in risk management and making decisions intelligently by delivering models and evaluation results, allowing them to have a deeper understanding of end consumer profiles and matching suitable solutions.



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## BUSINESS

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In addition, we offer TPA services to assist in the main processes of insurance business, including claims management, policy management, hospitalization support and customer service. We have a dedicated and experienced customer service team to provide end insureds with one-on-one insurance policy consultation, claim support and other services via online chat, phone and emails. Our TPA services are tailored to each type of insurance products and react responsively when any inquiries may raise, which effectively bridges the gap between insurance companies and end consumers and enhances end consumers' overall experience.

Our offerings are designed to empower insurance companies to capture market opportunities while effectively managing associated risks, such as high loss ratios. Our key value offerings involve:

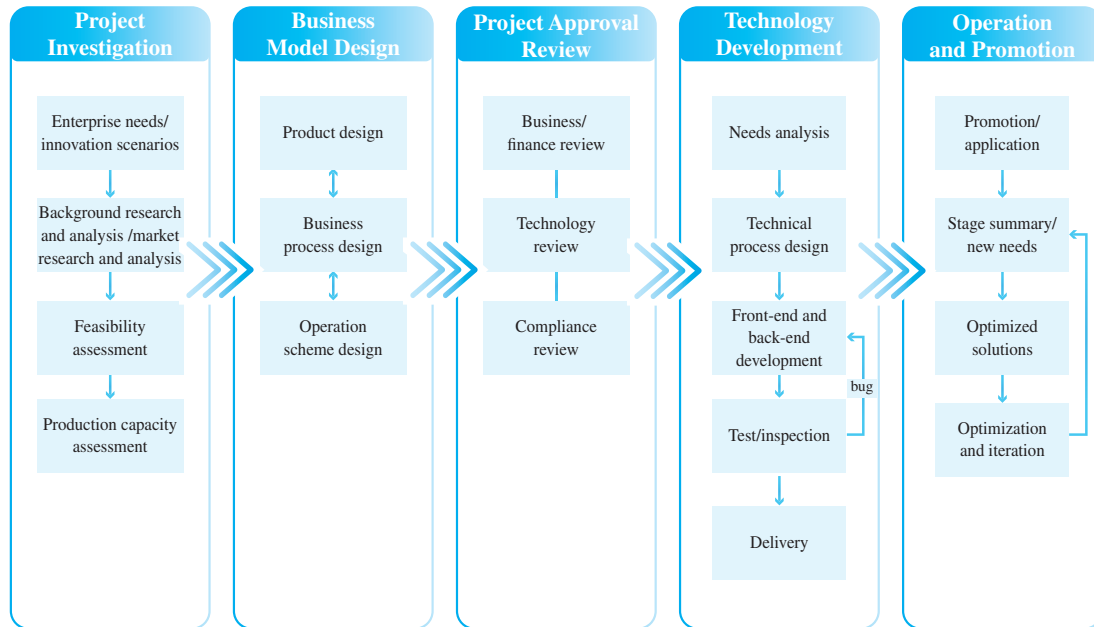
- ***Risk assessment and risk prevention:*** We assist insurance companies across various aspects of our full-process financial services and solutions. While adding value to their business, we also provide comprehensive risk assessment tools and preventive strategies. These include:
  1. *Precise identification of risks:* We understand the operational mechanisms of insurance companies and possess the capability to accurately identify the risks faced by these companies, enabling them to mitigate potential losses, avoid high loss ratios and enhance profit margins.
  2. *Diverse product designs:* Our approach is centered on risk exploration, identification and assessment, enabling us to develop and offer tailored insurance products that precisely tackles the specific needs of the business scenarios we have stimulated and uncovered.
  3. *Redefined approach to wide client base:* We provide access to a consumer population of our downstream scenario-based partners and bring end consumers' demands of digital risk management solutions to insurance companies, enabling insurance companies to reach a broader audience.
  4. *Data-driven insights and financial services:* Our advanced analytics and big data models offer valuable insights into market trends, customer behavior and risk assessment. These insights empower us to deliver financial services to help insurance companies manage their operational risks by optimizing pricing strategies and ensuring the profitability of their projects.
  5. *Operational efficiency:* Our customized solutions also cater to their operational efficiency, streamlining processes such as application and claims management, ultimately minimizing costs and risks involved in these processes.
- ***Risk intervention:*** Through continuous monitoring of operational performance, we provide insights that allow for proactive adjustments to pricing strategies, especially in instances where total claims exceed insurance premiums. The refinery is across all areas of the full-process financial services and solutions.

## BUSINESS

As of the Latest Practicable Date, we have cooperated with 63 out of 84 property and casualty insurance companies nationwide, fully covering the top 20 property and casualty insurance companies in the PRC in terms of insurance premiums.

### Our operational flow

The flowchart below illustrates the process of how we accurately identify risks, address needs and deliver and refine our digital risk management solutions:



- **Project investigation:** We actively explore and identify different risks in dynamic scenarios. By analyzing the underlying market from a macro perspective and examining each stakeholder from a micro perspective, including but not limited to, the number and profiles of its daily active clients or industry position, we can accurately pinpoint specific risks for each enterprise and assess the viability of potential solutions. Our evaluation of the project is thorough and spans from inception to execution. We consider a variety of critical factors, such as market trends, regulatory environments, stakeholder interests, and cost-effectiveness. This comprehensive approach enables us to develop informed strategies that not only address current challenges but also anticipate future developments, ensuring that all aspects of the project are aligned for successful outcomes.
- **Business model design:** Based on the identified risks, we propose full-process digital risk management solutions to partners, which encompass insurance product development, intelligent insurance application, policy management, claims processing, customer service, data analysis and financial management. The proposed digital risk management solutions cater to the unique needs corresponding to various risks. We further liaise with suitable insurance companies to evaluate the feasibility of solutions and customize insurance products to address identified needs.

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## BUSINESS

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- ***Project approval review:*** After preliminary assessment of the feasibility and cost-effectiveness of digital risk management solutions, we will review the proposed project from multiple dimensions, including business operation, finance, technology and regulations.
- ***Technology development:*** We are responsible for not only the customization of digital risk management solutions but also the development of full-process digitalization. Leveraging our self-developed big model and accumulated insights of the end insureds’ profiles, we have developed cloud-based SaaS application system providing our partners with intelligent insurance application, policy management, claims processing, customer service, data analysis and financial management. We also focus on providing API and refining our front-end and back-end interfaces to facilitate the operation. The end insureds’ data can be transmitted seamlessly during transactions, enabling timely applications. We repeatedly test the front-end and back-end to refine our solutions and eventually deliver comprehensive digital risk management solutions to our partners.
- ***Operation and promotion:*** We maintain smooth and efficient full-process operations of the developed solutions and embed our solutions in the platforms of our scenario-based partners for promotion purposes. Our professional customer service team possesses in-depth knowledge of various business scenarios, enabling them to effectively guide the insureds in emergency handling. They assist in preparing materials and improve the accuracy of claims filing and the timeliness of case resolution. Our SaaS application system enables us to collect data throughout the operations of our solutions, including but not limited to sales, claims, operation, complaints, personal information and market feedback data, for ongoing tracking and iterations. We continuously enhance our big data models to improve every aspect of our developed digital risk management solutions and share the data analysis result with our scenario-based partners and insurance companies while ensuring data privacy and security.

## BUSINESS

As we benefit from the existing infrastructure that our scenario-based partners have developed over time by embedding our customized insurance solutions within their platform portfolios, their end consumers can seamlessly access insurance products that are specifically designed to meet their unique needs within various scenarios. As of the Latest Practicable Date, we have cooperated with more than 210 channel partners and over 3,700 individual insurance brokers to distribute customized insurance products to over 302 million end insureds. We will continue to consolidate and develop our cooperation with our scenario-based partners. This extensive network not only demonstrates the scalability of our business model but also highlights our ability to adapt and customize our insurance solutions to diverse segments across different scenarios.

### SERVICES AND SOLUTIONS WE PROVIDE

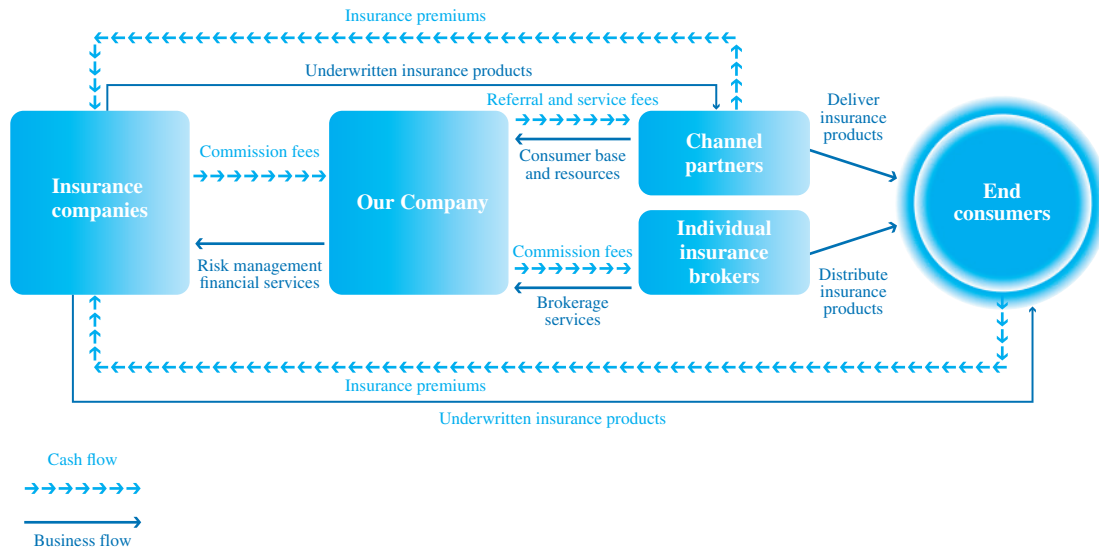
We take a proactive approach to stimulate, identify and uncover the needs of risk management under different scenarios and facilitate a dialogue between insurance companies and other ecosystem partners, enabling insurance companies to have a more precise understanding of risk management demands. We derive revenue primarily from (i) risk management financial services, from which we receive commissions from insurance companies for assisting them in achieving successful delivery of insurance products underwritten by them, (ii) intelligent marketing and digitalization solutions, which include project fees paid by various enterprises, and (iii) TPA service fees paid by insurance companies. The following table sets out the breakdown of revenue, gross profit and gross profit margin by business segment for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,					
	2022			2023			2023			2024		
	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
<i>RMB'000</i>	<i>RMB'000</i>	%	<i>RMB'000</i>	<i>RMB'000</i>	%	<i>RMB'000</i>	<i>RMB'000</i>	%	<i>RMB'000</i>	<i>RMB'000</i>	%	
Risk management												
financial												
services . . . . .	311,365	31,173	10.0	535,927	48,983	9.1	365,863	32,803	9.0	574,242	49,261	8.6
Intelligent												
marketing and												
digitalization												
solutions . . . . .	86,926	1,540	1.8	115,671	973	0.8	81,911	731	0.9	54,651	905	1.7
TPA services. . . . .	6,233	792	12.7	8,304	2,094	25.2	6,413	1,417	22.1	2,298	444	19.3
<b>Total . . . . .</b>	<b>404,524</b>	<b>33,505</b>	<b>8.3</b>	<b>659,902</b>	<b>52,050</b>	<b>7.9</b>	<b>454,187</b>	<b>34,951</b>	<b>7.7</b>	<b>631,191</b>	<b>50,610</b>	<b>8.0</b>

## BUSINESS

### Risk management financial services

Moving beyond merely delivering standardized insurance products, we cooperate with insurance companies to design customized insurance products, empowering us to target on various risks more precisely. Leveraging our accumulated know-hows and robust digital capabilities, we are able to actively identify and assess risks across various business scenarios. The diagram below illustrates the business flow and revenue source of our risk management financial services:



By evaluating enterprises’ profiles and specific scenarios they face, we design and propose preliminary risk management solution plans to our partners. Focusing on distinct risks and corresponding needs of ecosystem participants in different ecosystems, we have cooperated with over 70 major insurance companies in the PRC to design, develop and refine insurance products. We view customized insurance products as essential tools for the purpose of effective risk management and deliver a wide range of insurance products underwritten by insurance companies through our channel partners and individual insurance brokers. The table below sets forth the average commission rate and commission incomes for distributing their insurance products for the years/periods indicated:

	For the year ended December 31,		For the nine months ended September 30,	
	2022	2023	2023	2024
	<i>(unaudited)</i>			
Average commission rate (%) . . . . .	15.6	19.8	18.9	24.9
Commission income (RMB’000) . . . . .	311,365	535,927	365,863	574,242

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## BUSINESS

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Leveraging our access to a variety of insurance products and our in-depth analysis of risk portfolios across different scenarios, we are able to provide risk management financial services and recommend different combinations of existing insurance products to the potential insureds, taking into account their particular needs and risk exposure under various scenarios in the “9+N Ecosystems” with an aim to maximize their insurance claim coverage in the cost-effective manner.

### *Our 9+N ecosystems*

We design and provide scenario-oriented digital risk management solutions as tools to achieve risk management purposes, addressing scenario-based partners’ and end insureds’ needs in different ecosystems. Oriented by different scenarios in our “9+N Ecosystems”, the customized insurance products are embedded in their business operations under different scenarios, allowing potential end insureds to seamlessly access our products and services as part of their everyday experiences. Our collaborations with these partners empower us to build valuable end consumer database, enabling us to have a comprehensive understanding of end consumers’ behaviors. This insight allows us to develop innovative products and solutions, improve intelligent claims settlement process and implement dynamic risk management. Our nine ecosystems include:

<b>Ecosystems</b>	<b>Pain points and our solutions</b>
Mobility . . . . .	The fast-evolving mobility ecosystem in China currently engages newer forms of mobility. Traditional underwriting models require a lump-sum upfront premium, placing a heavy financial burden on policyholders. Our services support fragmented insurance applications by linking each scenario to one single policy, assisting partners in reducing financial costs and operational risks. We identify each end consumer and corresponding insurance liabilities under different scenarios and provide exclusive support. Our services eliminate the need for large sum upfront premium payments, reduce insurance costs for transportation and services providers and alleviate pressure on the insurance company’s underwriting systems, enabling real-time risk management.
General human resources . . . . .	The major pain point in the ecosystem is the unclear employment or contractual relationship between employers and gig workers, who work for different employers on part-time basis and take on jobs intermittently. Our risk management financial services provide API interfaces and an integrated O2O one-stop service platform featuring functions to meet changing demands. Our services tailored to unique profiles of employees to ensure that insurance coverage is specifically aligned with the distinct risks and needs of each employee group, providing comprehensive protection that meets the diverse requirements of various industries. We apply fragmented insurance application model to gig working scenarios, integrating it with employers’ systems.

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## BUSINESS

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### Ecosystems

### Pain points and our solutions

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Medical and healthcare . . . . In the medical and healthcare ecosystem, there are specific but irregular risk scenarios where risk assessment is challenging but customers’ demand is clear. We conduct resource integration, risk data collection and health medical data evaluation to design tailored digital risk management solutions based on our comprehensive analysis on liability risks incurred during operations in the medical and healthcare industry. We categorize various surgical types based on their risks, aligning them with different coverage plans and pricing standards while collaborating with health service institutions to provide precise assessments for patients before surgery. Our solutions supplement out-of-pocket expenses for healthcare and provide comprehensive protection to prevent impoverishment due to illness to ensure inclusive benefits for the public.

Public services . . . Institutions in public services ecosystem usually face issues such as limited budget, inadequate risk assessment and high risk of liability exposure, which generally lead to insufficient insurance coverage or misaligned insurance solutions. We ensure that insurance coverage is specifically aligned with the distinct risks and needs. For example, we have developed a SaaS application system interface specifically for gas-related insurance that provides gas companies with a comprehensive service platform to assist them in quickly enhancing the quality and efficiency of the gas insurance business while directly providing their consumers with gas protection. Additionally, we have collaborated with sports venues to offer flexible insurance application mechanism, adaptable coverage and instant protection services that become effective upon entry to the venue.

Inclusive finance . . . Financial institutions usually face risks, such as trust issues, capital recovery and personal financial security risks. We provide risk management financial services protecting customers from default and facilitate consumer borrowings and consumptions. For example, we provide an accident insurance for borrowers, where the lending institution is the beneficiary. It ensures that loans are repaid even if the borrower experiences an accident, preventing the borrower’s family from being affected. Our delayed payment insurance provides credit endorsement for payment platforms and guarantee funds for merchants. Based on comprehensive analysis of consumers database, our tailor-made digital risk management solutions empower our partners to establish a closed-loop risk management system.

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## BUSINESS

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### Ecosystems

### Pain points and our solutions

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Auto services. . . . High repair and maintenance costs are often unpredictable and expensive for car owners. Our risk management financial services designed for auto services ecosystem focus on various scenarios, including but not limited to, car sales and after-sales services, to provide vehicle insurance and derivatives products. We provide a series of insurance services including traffic accident insurance, mandatory liability insurance and vehicle insurance, offering risk coverage for car owners against potential losses that may occur while the vehicle is stationary or in motion. By providing coverage for vehicle damage, personal injury or death, as well as theft and robbery, we create a comprehensive service platform for car owners to manage the risks they face in daily life.

Education . . . . . In scenarios where schools or educational institutions provide services on campuses, training bases or other educational venues, there are possibilities of person injuries, property losses and economic liability. We provide protection for both education institutions and students by offering comprehensive liability insurance solutions to address the behavioral liability risks faced by education institutions. Additionally, we provide accident injury protection for students, achieving a win-win situation for educational institutions and students. For example, in the context of driver examination scenarios, we offer compensation for retake fees for students who fail their driving tests, while also providing quick claims processing and after-sales service for both students and insurance companies.

Logistics . . . . . Logistics companies are constantly exposed to risks, such as cargo being damaged, lost, or stolen during transit due to accidents, mishandling, theft or natural disasters. Focusing on commercial services that integrate various logistics methods, we provide precise and efficient online insurance and claims services and offer digital risk management solutions for potential losses involving cargo, vehicles and other fixed assets in fields like cold chain transportation, port services, cargo transportation and vehicle leasing. By building a convenient insurance service platform and embedding it into logistics service platforms, we have established real-time data interaction and verification to address the needs for timely and accurate insurance coverage.

E-engineering . . . . E-engineering projects primarily rely on sophisticated equipment, hardware and software that may fail or malfunction, leading to costly downtime and operational disruptions. We provide performance bond insurance solutions and services for enterprises to establish a risk intervention mechanism that enhances efficiency, reduces the burden on businesses and simplifies the bidding process for construction projects. In addition, we cooperate with major insurance companies and technology service platforms to integrate bid guarantee services into the bidding process at public trading centers. This mechanism enables companies to obtain bid bond with nominal consideration, replacing the need for millions in deposits, thereby reducing financial costs and the risk of capital being tied up.



## BUSINESS

The table below sets forth the GWP and the commission income generated from insurance companies for distributing insurance products in each ecosystem for the years/periods indicated:

	For the year ended December 31,				For the nine months ended September 30,										
	2022		2023		2023		2024								
	GWP RMB'000	Percentage of commission income %	Average commission rate %	Commission income RMB'000	Percentage of commission income %	Average commission rate %	Commission income RMB'000	Percentage of commission income %							
<b>Ecosystem</b>															
Auto services . . . . .	1,099,191	36.9	10.5	1,406,407	131,771	24.6	9.4	990,463	93,912	25.7	9.5	901,090	66,716	11.6	7.4
Inclusive finance . . . . .	90,917	2.6	9.1	291,267	141,806	26.5	48.7	181,012	74,757	20.4	41.3	404,179	269,541	46.9	66.7
Public services . . . . .	186,044	17.5	29.3	293,308	98,894	18.5	33.7	216,533	70,657	19.3	32.6	208,017	78,591	13.7	37.8
Mobility . . . . .	103,993	6.9	20.8	169,545	41,623	7.8	24.5	125,224	30,402	8.3	24.3	151,287	35,906	6.3	23.7
General human resources . . . . .	151,906	11.4	23.3	181,428	38,761	7.2	21.4	143,720	31,233	8.5	21.7	166,085	35,897	6.3	21.6
Others <sup>Note</sup> . . . . .	369,072	24.7	20.7	364,148	83,072	15.4	22.8	281,390	64,902	17.8	23.1	479,440	87,591	15.2	18.3
<b>Total</b> . . . . .	<b>2,001,123</b>	<b>100.0</b>	<b>15.6</b>	<b>2,706,103</b>	<b>535,927</b>	<b>100.0</b>	<b>19.8</b>	<b>1,938,342</b>	<b>365,863</b>	<b>100.0</b>	<b>18.9</b>	<b>2,310,098</b>	<b>574,242</b>	<b>100.0</b>	<b>24.9</b>

*Note:* Other ecosystems include medical and healthcare ecosystem, education ecosystem, logistics ecosystem and e-engineering ecosystem.

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## BUSINESS

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During the Track Record Period, we from time to time introduced new insurance products across different ecosystems. Commission rate for each insurance product differs depending on various factors, including but not limited to, the expectation of our ecosystem partners, the anticipated claim rate, market demand for insurance products and our service coverage. The ongoing changing product mix therefore led to fluctuations in the average commission rates for some ecosystems. The average commission rate for our inclusive finance ecosystem increased from 9.1% in 2022 to 48.7% in 2023 and from 41.3% for the nine months ended September 30, 2023 to 66.7% for the nine months ended September 30, 2024, driven by the significant increase in the delivery of delayed payment insurance, which generally charge higher commission rates and raised the average commission rate during the Track Record Period. Our average commission rate for public services ecosystem grew from 29.3% in 2022 to 33.7% in 2023, and from 32.6% for the nine months ended September 30, 2023 to 37.8% for the nine months ended September 30, 2024, primarily due to a continuous increase in the proportion of commission income attributable to a domestic property insurance product which features higher commission rates. During the Track Record Period, our average commission rates for general human resources ecosystem, mobility ecosystem and auto services ecosystem ranged from 21.4% to 23.3%, from 20.8% to 24.5% and from 7.4% to 10.5%, respectively, and were relatively stable.

Besides the nine ecosystems above, we are also expanding our business portfolio into new ecosystems. We actively stimulate, identify and uncover the needs of risk management in new ecosystems and provide digital risk management solutions that could benefit all ecosystem participants.

### *Case studies*

Based on the nature of different scenarios, we design unique engagement methods that could facilitate the insurance application process so that our partners and end consumers can have a smooth experience. The following four cases studies illustrate the insurance application methods we customize for the four different scenarios.

#### *Case study 1: shared bikes*

Hellobike is one of our scenario-based partners, engaging in providing shared bike services in the PRC. Under the traditional model, enterprises providing shared ride-ons services would usually purchase insurance plans for end consumers based on an anticipated business scale within an insurance period and calculated using yearly dimension statistics. The upstream insurance company, therefore, needs to ensure sufficient headroom to protect their profitability. Under such model, these enterprises are the primary insured parties, while end consumers might not be directly insured or protected. For instance, in the event of an incident, insurance coverage may only apply and indemnify these enterprises if the end insured files a successful legal claim against these enterprises and/or where is at fault. Traditional insurance cannot adequately address the operational needs of the business of our scenario-based partner and the specific requirements of its customers in terms of coverage and insured periods.

Adopting the digital risk management solutions we provided, shared ride-ons service providers such as Hellobike will automatically purchase “Bicycle Accident Insurance” for each of its riders from the moment he/she unlocks the bicycle (and insurance policy is simultaneously generated) to the moment until the ride is finished, with a maximum duration of six hours. By leveraging our mobility ecosystem model, we are able to analyze insurance policies in granular time intervals, down to minutes and even seconds.

BUSINESS

ID	订单号	保单号	保险名称	投保人	渠道来源	所在城市	被保险人	身份证号	创建时间	开始时间	保单起保时间	保单到期时间	操作
985576	bgb2024121068372331c078761c146d4169d5	1021*****	**骑行意外险(小时版)	上海***** 限公司	001		胡**	4128*****	-	2024-12-10 20:04:18	-	-	查看详情 + 下载
985575	bgb202412109289774096ec7481c1e740f	1021*****	**骑行意外险(小时版)	上海***** 限公司	001		MA*****	C2*****	-	2024-12-10 20:04:18	-	-	查看详情 + 下载
985574	bgb2024121013314651c1f987445842ba9f9	1021*****	**骑行意外险(小时版)	上海***** 限公司	001		赵**	1308*****	-	2024-12-10 20:04:18	-	-	查看详情 + 下载
985573	bgb202412102837517486f401c63cd1982a	1021*****	**骑行意外险(小时版)	上海***** 限公司	001		李**	3203*****	-	2024-12-10 20:04:17	-	-	查看详情 + 下载
985572	bgb202412105110918009e03348c0e8a172b	1021*****	**骑行意外险(小时版)	上海***** 限公司	001		曾**	5114*****	-	2024-12-10 20:04:18	-	-	查看详情 + 下载
985570	bgb2024121077017020m9c2246463712f4	1021*****	**骑行意外险(小时版)	上海***** 限公司	001		阮**	6105*****	-	2024-12-10 20:04:17	-	-	查看详情 + 下载
9855779	bgb202412108372461e88e9ab37398645	1021*****	**骑行意外险(小时版)	上海***** 限公司	001		王**	6101*****	-	2024-12-10 20:04:17	-	-	查看详情 + 下载
9855778	bgb2024121051284330b1c75586e679bc1d	1021*****	**骑行意外险(小时版)	上海***** 限公司	001		孙**	3412*****	-	2024-12-10 20:04:17	-	-	查看详情 + 下载
9855776	bgb202412102832231108870ba8248962a28	1021*****	**骑行意外险(小时版)	上海***** 限公司	001		蔡**	4201*****	-	2024-12-10 20:04:14	-	-	查看详情 + 下载
9855775	bgb202412106887266a0d602c8146937d2	1021*****	**骑行意外险(小时版)	上海***** 限公司	001		吴**	4312*****	-	2024-12-10 20:04:17	-	-	查看详情 + 下载

We proposed to the underwriting upstream insurance company partner with customized and fragmented insurance policies based on the results of real-time analysis, enabling a one-to-one correspondence among insurance coverage, insured periods and associated risks. Additionally, our digital capabilities facilitate the instant and frequent generation of insurance policies as riders unlock the bikes. This fragmentation effectively addresses end insureds' needs regarding coverage and insured periods, enabling a reduction in insurance premiums to align with these intervals. This approach also allows such enterprises to share the insurance cost with its riders while effectively managing the risks of compensation in the event of accidents. We successfully identified the high-frequency and short-term insurance needs inherent to our scenario-based partner's business model. By offering insurance products that are both fragmented and instantaneous, we enhance user protection while providing more convenient insurance application experience. If any accident happens, the end insured can submit a claim on our Baige Accompanying You (白鸽陪你行) WeChat Official Account or our Company's reporting hotline.



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## BUSINESS

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After our insurance company partner verifies and approves the claim, it will directly settle the claim by transferring funds to the end insured within three to 25 days.

### *Case study 2: errand services*

One of our scenario-based partners is an errand service provider offering a wide range of services, including but not limited to, purchasing daily necessities and food, picking up packages and documents, handling banking services, paying utility bills, queuing for tickets and collecting tickets, and even specialized services such as pet boarding and child pick-up and drop-off. While the entry barrier for errand service personnel (commonly referred to as “errand runners”) is low, the associated risks, particularly traffic safety, are significant. Furthermore, the employment relationship between the errand runners and the platform is often unclear, complicating the protection of their rights in the event of an accident. This ambiguity also poses challenges for the platform in safeguarding its interests during disputes.

To address the challenges faced by errand platforms and errand runners, we provide comprehensive digital risk management solutions through a mature SaaS application system, customized product offerings and a professional after-sales customer service team. Our approach assists the scenario-based partner in reducing costs, increasing efficiency and improving service quality.

When joining the platform, errand runners authorize the platform to apply for insurance on his/her behalf. When an errand runner accepts his/her first order of the day on the platform, a daily insurance policy is automatically purchased and generated. By leveraging our accumulated know-how of the general human resources ecosystem, we analyze the end insured’s needs specific to the scenario of errand services and propose to our underwriting insurance company partner customized combination of coverage addressing the risks of the scenario and pricing methodology based on our model. Furthermore, we utilize our capabilities for fragmentation and instantaneous generation of insurance policies to meet the need of high-frequency and short-term insurance protection inherent in our scenario-based partner’s business model.

### *Case study 3: surgical liabilities*

In the process of medical treatment, the hospital and medical staff’s behavior should be in accordance with the laws of medical and health management, administrative regulations, departmental regulations and medical standards. However, due to various uncontrollable factors, accidents may occur during the surgical process. For example, due to the patient’s individual differences in the process of receiving treatment, complications, such as excessive bleeding during surgery, or even death occurs, such a situation is not categorized as a surgical accident, which is not covered by the medical liability insurance usually purchased by the hospital. To manage the risk more effectively, patients (or their family members) are adequately protected, and to effectively minimize doctor-patient disputes and relieve the pressure on hospitals and medical staff. We initiated and launched the project in more than 10 hospitals in Sichuan, Shandong and Henan in China. We conducted an internal assessment of the project’s market potential, especially its potential as a replicable model in a large healthcare ecosystem.

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## BUSINESS

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We offer three front-end digital solutions, including (i) an online platform for surgical risk education and signing of surgical consent forms; (ii) an insurance application interface that automatically matches insurance products based on patient and surgery information retrieved from surgical consent forms and then generates a QR code for insurance application; and (iii) a management system for the hospitals to assist them in achieving digital operations.

Leveraging the hospital management system we developed, our big data model covers analysis of causes of surgical accidents, including human factors, equipment issues and patient-specific factors. By continuously accumulating data in this area, our data management, backed by our digitalization solutions, will enable hospitals to replace equipment or enhance management and training for underqualified doctors in a timely manner.

We have customized 220 insurance products specifically for this project, which are closely aligned with end insureds’ demand in this scenario, significantly stimulating demand for insurance while enabling hospital staff to promote and market them more effectively.

### *Case study 4: gas companies*

The use and coverage of gas in urban production and life in China is developing rapidly, especially in the second, third and fourth tier cities, the market scale of residential gas and industrial and commercial gas continues to expand, but the risks are also accompanied by gas explosion, fire, leakage and other situations. The safety of gas pipeline equipment, the effectiveness of monitoring equipment, and the coverage of insurance protection all require more scientific, efficient and centralized digital online service capabilities.

To solve the practical problems of gas security, the Company has developed a SaaS application system to provide comprehensive service solutions including sales personnel management, business order management, customer management, digital risk management platform and other functions, changing the traditional sales and purchase relationship of gas insurance. It has achieved new demand structures such as product matching, service response, customer purchase willingness and centralized operation, enabling the healthy, stable and sustainable development of China’s gas industry and gas companies, and ensuring the safety of the vast number of gas users. Through our Baige TanBao platform, business personnel in various gas service scenarios can register as our qualified insurance brokers to promote and deliver our insurance products and services in the process of work.

This approach promotes more effective sales reach and customer management because they are relatively familiar with the customer bases and inherent risks in their business environment, and can accurately reach customers and promote coverage. For example, sales personnel can promote our insurance products as part of their service portfolio, while after-sales personnel of gas-related products can provide after-sales service or value-added services of our insurance products during home visits, closed-loop customer service experience and risk process management. We think this model has great potential to be replicated in other parts of the public service ecosystem, such as water, electricity and telecommunications companies.

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## BUSINESS

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The premium of these insurance products is determined based on our comprehensive analysis of the features and background of the different scenarios and scenario-based partners, such as their business scales and business operation, the complexity and feasibility of digital risk management solutions and cost-effectiveness.

### **Intelligent marketing and digitalization solutions**

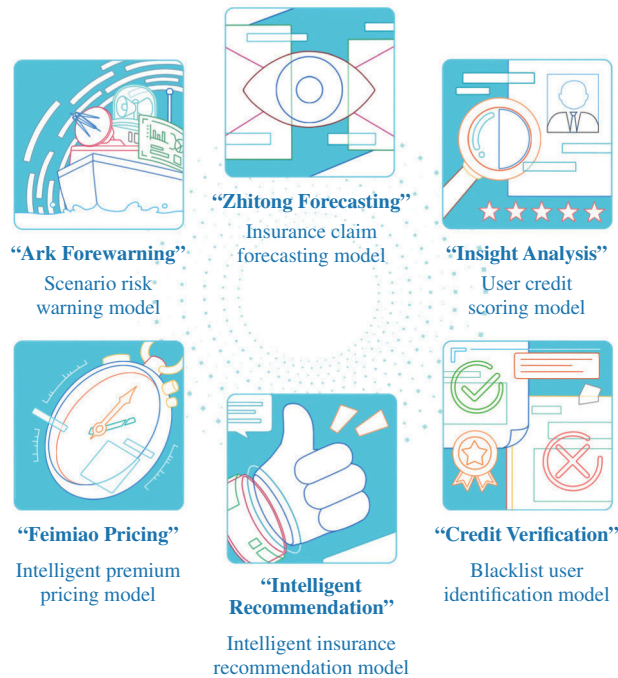
Leveraging our accumulated know-hows and comprehensive data analyses, we offer intelligent marketing services, assisting our partners in precision marketing. We have a precision understanding about the business nature and commercial needs of our partners and profiles of end consumers. The depth of insight allows us to build a robust cross-reference network among our partners and create a precision marketing environment. We integrate diverse end consumer bases and, through comprehensive analysis, identify their specific needs and preferences. We strategically re-introduce end consumers to our partners whose offerings align with their interests.

For example, when end consumers purchase a car from one of our scenario-based partners, a 4S store, we could simultaneously search and identify end consumers’ profiles from our data lakehouse, a data management architecture enabling business intelligence and machine learning on all data. Based on our understanding and analysis of end consumers’ profiles, we are able to identify their additional needs, such as car repair services and insurance. We will generate an analysis report for different partners and assist them in discovering new business development opportunities. By re-introducing them to our other partners who offer the required services, we ensure that end consumers receive relevant recommendations while helping our partners promote business to the target consumers. This approach not only enhances the consumer experience by providing tailored recommendations but also increases the efficiency of marketing efforts by targeting the right consumers with the right service providers and fostering collaboration among our partners.

Meanwhile, we recognize the demand for digitalization in various ecosystems and have successfully introduced digitalization solutions to facilitate the operation of risk management solutions. We also offer our self-developed SaaS application system and user-friendly API integration, which facilitates seamless connection and empowers both insurance companies and scenario-based partners to manage their operations efficiently and intelligently. Our solutions are centered around our self-developed Baige eBao SaaS application system, which is cloud-based, dynamically configurable and scalable that can quickly meet the diverse business needs of our partners under different scenarios across ecosystems. Our partners can directly access the SaaS application system through customized API interfaces, and we can also embed the SaaS application system into our partners’ operation systems. The Baige eBao SaaS application system provides our partners with comprehensive solutions that outline the business processes to optimize workflow and cashflow and design interface to ensure a smoother and better user experience while facilitating the connection among different partners.

## BUSINESS

In 2024, we initiated our risk management digital transformation towards large models, enabling automation in our digitalization solutions and started to develop six MaaS-backed models, namely, Ark Forewarning (方舟), Feimiao Pricing (飛秒), Zhitong Forecasting (智瞳), Intelligent Recommendation (樂薦), Insight Analysis (睿析) and Credit Verification (鑒信), for insurance companies and financial institutions to improve the efficiency of business operation and reduce costs of decision making.



Feimiao Pricing is designed for insurance companies to assist them in quickly identifying scenario risk factors and conducting real-time warning analyses. Relying on big data technology and machine learning algorithms, Zhitong Forecasting enables insurance companies across various insurance sectors to obtain personalized, intelligent and timely premium pricing accurately and effectively. Intelligent Recommendation analyzes multi-dimensional information such as individual risk tolerance, lifestyle habits, and financial status to provide tailored insurance recommendations, helping enterprises and individuals find the most suitable insurance products for their needs. Credit Verification is designed to identify potential blacklist users based on data collected from customer service interactions and complaint records. We also expand our service to financial institutions, government agencies and infrastructure operators. Our Ark Forewarning model is designed for financial institutions to efficiently identify risks and provides them with intelligent detection and warning services. Insight Analysis is designed for financial institutions to optimize their risk control strategies and minimize credit risk while promoting safe transactions by analyzing the credit status of individuals. For more details of MaaS-backed models, please refer to “— Our Technologies and Research and Development — Technologies — MaaS” in this section.

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## BUSINESS

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### TPA services

We provide TPA services primarily to insurance companies and are authorized to assist them in claims settlement and consultation services. We have a dedicated and experienced customer service team to provide end insureds with one-on-one insurance policy consultation, claim support and other services via phone calls, online chat and emails. By leveraging cutting-edge technology and industry expertise, we ensure real-time support, enabling shorter response time and more accurate information. In addition to our customer service, we provide comprehensive data analytics to help insurance companies make informed decisions regarding risk assessment, product development and market trends. Our services not only streamline operations but also enhance customer satisfaction, helping insurance companies maintain a competitive edge in the ever-evolving industry.

### OUR BRANDS AND MAIN OPERATING PLATFORMS

We rely on our online platforms to promote and deliver digital risk management solutions. Our online platforms cater to different needs of insurance companies, scenario-based partners, individual insurance brokers and end consumers. Our Baige eBao (白鴿e保) platform provides insurance companies and scenario-based partners with one-stop comprehensive SaaS application system, including but not limited to, insurance application management, data management, insurance claims settlement and statistical analysis. Our Baige TanBao (白鴿探保) WeChat Official Account provides insurance brokers with a tool to conduct their business. Our Baige LeBao (白鴿樂保) APP provides end consumers with comprehensive value-added services to have more engagement with Baige’s community. We also operate on other online platforms, such as WeChat Official Account Baige Accompanying You (白鴿陪你行) for the purpose of claim settlement and Baige Insurance Talk (白鴿說保險) for educating purposes. The following sets out the details and functions of each of our main online platforms.



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## BUSINESS

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### Baige eBao (白鴿e保)

Our scenario-based partners’ motivations to avoid and mitigate risks are amplified by their client-driven pressures and regulatory compliance requirement, which leads to an increasing demand of digital risk management solutions to assess, prevent and intervene risks. Baige eBao is a self-developed service platform launched in 2021 to provide scenario-based partners and insurance companies with one-stop comprehensive SaaS application system equipped with functions such as intelligent insurance application, policy management, claims processing, customer service, data analysis and financial management. Our system has following features:

- ***Intelligent Insurance Application:*** Baige eBao breaks through the traditional technical limitations of vague estimations in one large insurance policy by enabling granular and individual policy issuance. This feature helps insurance companies reduce costs and improve efficiency. Additionally, the system uses dynamic configuration technology to ensure high efficiency and stability under high concurrency, with the system capable of handling 100,000 policies per second.
- ***Back-end Infrastructure:*** Baige eBao ensures system security through advanced services such as web application firewalls and sensitive data masking, providing partners with a secure and seamless experience in managing policies, operations, and monitoring through our digital backend. These robust security measures guarantee the integrity and confidentiality of data, enabling smooth and safe operations for all users.
- ***Claims Processing Service:*** The Baige Accompanying You (白鴿陪你行) claims platform enables online claim reporting, OCR (Optical Character Recognition) identification. At the same time, access to a third-party medical data organization allows the insured (or authorized representative) to obtain accurate medical information for the corresponding period with their consent, which improves the timeliness and accuracy of claims processing and effectively avoids the potential risks of over-treatment and fraudulent claims. Claim applicants can track the progress of claims in real time, making the entire claims process more efficient and transparent.
- ***Data Analysis:*** Our self-developed AI data model leverages deep learning through continuous iteration to mine scenario-specific user data, gradually forming accurate risk factor models and risk warning models.

By focusing on industry-specific scenarios and analyzing factors such as risk, client profiles, market dynamics, cost and time efficiency, Baige eBao continuously identifies and addresses industrial pain points by integrating customized insurance products in their business operation chains to achieve full-process risk management. With the support of our self-developed SaaS application system, Baige eBao can automatically configure, adjust and scale to meet the diverse demands under different scenarios and ecosystems. We operate Baige eBao via SaaS application system. The interface is customized for different types of users.

## BUSINESS

For example, when riders unlock a shared bicycle, our scenario-based partner would automatically purchase an insurance policy for each rider. We would have access to details of every policy generated in seconds, and our Baige eBao SaaS application system back-end interface would display the name of insurance products, the identity of the insured and the policy period they are insured. If an accident happens to the rider, we will also have a brief description of the accident. We monitor operational data on a real-time basis and regularly generate data analysis reports that are sent to insurance companies for actuarial underwriting to determine reasonable pricing. Our brokerage service fees are calculated based on the rate determined between us and insurance companies.

The screenshot displays a control panel for a SaaS application. At the top, there are several tabs for different stages: 未决(\*\*\*\*), 已决(\*\*\*\*), 已赔(\*\*\*\*), 已查(\*\*\*\*), 已赔(\*\*\*\*), 已赔(\*\*\*\*), 已赔(\*\*\*\*), 已赔(\*\*\*\*), 已赔(\*\*\*\*), 已赔(\*\*\*\*), 已赔(\*\*\*\*), 已赔(\*\*\*\*). Below the tabs are various filters and search criteria, including dropdown menus for '事故状态', '创建时间', '理赔材料状态', '报案号', '联系电话', '人员情况', '是否关联', '创建时间', '理赔状态', '理赔单号', '理赔单号', '用户信息查询结果', '开始时间', '结束时间', '材料上传时间', '材料上传时间', '审核状态', '订单号', '被保险人', '被保险人', '身份证号', '身份证号', '未决金额', '已产生治疗费用', '已产生治疗费用'. A '提交' button is visible.

Below the filters, there is a summary bar showing: 导出数据, 未决金额: \*\*\*\*元, 失案件数: \*\*\*\*件, 失案件占比: \*\*\*\*%. To the right are icons for '刷新', '列表', and '搜索'.

The main part of the screenshot is a data table with the following columns: 保单号, 理赔单号, 投保单号, 保险名称, 国家来源, 被保险人, 身份证号, 联系电话, 险情描述, 用户信息校验结果, 交通工具, 出险地区, 未决金额, 已产生治疗费用, 人员情况, 备注, 操作.

保单号	理赔单号	投保单号	保险名称	国家来源	被保险人	身份证号	联系电话	险情描述	用户信息校验结果	交通工具	出险地区	未决金额	已产生治疗费用	人员情况	备注	操作
*****	675*****	*****	意外险(6小时版)	001	李**	450*****	180*****	骑行时被砾石撞倒, 研...	-	单车-新	广东省-佛山市-顺德区	****	****	未就医	*****	[X] [C]
*****	67*****	*****	意外险(6小时版)	001	陈**	653*****	175*****	1	-	单车-新	北京市-北京市-东城区	****	****	一般门诊	*****	[X] [C]
*****	67*****	*****	行窃意外险(6小时版)	001	刘**	341*****	170*****	正常骑行时车辆导致...	-	助力车-新	安徽省-合肥市-庐阳区	****	****	一般住院 同一一般 保留	*****	[X] [C]
*****	67*****	*****	行窃意外险(6小时版)	001	熊**	320*****	175*****	车子的刹车失灵导致...	-	助力车-新	江苏省-徐州市-铜山区	****	****	一般门诊	*****	[X] [C]

The ultimate goal of Baige eBao is to provide technological empowerment for innovation in the digital risk management solutions industry, meeting the digital economy’s demands for large-scale operations, high-frequency changes and intelligent risk management. For more details of our SaaS application system, please refer to “— Our Technologies and Research and Development — Technologies — SaaS Application System” in this section.

## BUSINESS

### Baige TanBao (白鴿探保)

Baige TanBao is an Internet-based platform designed for individual insurance brokers to conduct their business. We operate Baige TanBao via WeChat Official Account. Users can become qualified insurance brokers by completing professional online training program after going through registration and verification process. Those insurance brokers are registered with the NFRA and can promote insurance products we designed with insurance companies and assist end consumers in completing the order forms and managing their insurance policies to earn commissions.

Below are the screenshots of our Baige TanBao WeChat Official Account illustrating its key functions and features.



## BUSINESS

Leveraging closed-loop platform built upon our big data model, Baige TanBao provides one-stop customized marketing plans for individual insurance brokers to assess potential end consumers’ needs and recommend suitable insurance products by analyzing clients’ profiles, application scenarios and claims data.



Individual insurance brokers can form marketing teams on Baige TanBao by simply forwarding invitation links, and they can customize front-end pages showing different products and promotional images through back-end management.

## BUSINESS



Besides individual insurance brokers, end consumers can browse and choose insurance products on their own and reach out to customer services for assistance in understanding the insurance products, the claims settlement process and risk assessments. Baige TanBao creates an innovative cooperation model that effectively bridges the gap between insurance companies, individual insurance brokers and end consumers and enhances overall user experience.

### Baige LeBao (白鸽乐保)

Baige LeBao is an APP designed for end consumers. We upgraded Baige LeBao in 2024 and changed its main functions to enhance interactions between users and improve their retention rate on our platforms. Before 2024, Baige LeBao was a bridge between insurance companies and insureds. Users can browse and purchase insurance products directly on Baige LeBao and contact customer services if any queries may arise. They can also obtain latest information about any change in insurance policy, insurance industry and the company and basic understanding of insurance products. Meanwhile, users can complete certain tasks, such as daily check-in, reading articles on Baige LeBao or inviting friends to join Baige's community to earn Baige Coins (白鸽币) and redeem merchant products, coupons and services in Baige Shop.

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## BUSINESS

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In 2024, Baige LeBao has been upgraded to serve as a comprehensive value-added service platform and a community for end consumers. Besides features such as Baige Shop being retained, educational posts on Baige LeBao are not only about insurance but also financial-related knowledge in general. By analyzing users’ online behaviors, we gain more insights into their composition and provide more comprehensive marketing solutions for insurance companies.

### SALES AND MARKETING

We deliver our risk management financial services and insurance products underwritten by our upstream insurance companies through (i) primarily channel partners and (ii) individual insurance brokers. We generated RMB310.9 million, RMB535.9 million and RMB574.0 million of commission income from our channel partners for the year ended December 31, 2022 and 2023 and nine months ended September 30, 2024, respectively, accounting for 99.9% of our commission income during the Track Record Period.

#### Channel partners

Our channel partners include our scenario-based partners and technology companies that offer referral and promotion services to increase our exposure. Insurance products are embedded in the business operations under different scenarios and offered to end consumers. Upon receipt of commission from insurance companies, we will pay referral fees to our channel partners for successful purchase of insurance products by end consumers. During the Track Record Period, we cooperated with 204, 207 and 212 channel partners as of December 31, 2022, December 31, 2023 and September 30, 2024, respectively. We enter into collaboration agreements with our channel partners. The salient terms and conditions of such agreements are generally as follows:

- Services . . . . . Our channel partners provide referral services or promotion services through their promotion channels or rely on their self-owned resources.
- Fees and payment . . . . . We pay basic service fees and referral fees on a project basis and pay transaction fees based on a percentage of the amount of sales they facilitate, and all fees are typically paid on a monthly basis.
- Terms . . . . . Our cooperation agreement usually has a term of one year.
- Confidentiality . . . . . Each party is responsible for maintaining the confidentiality of any information of the other party obtained during the course of cooperation.
- Liability for breach . . . . . Each party is responsible for maintaining the confidentiality of any information obtained during the course of cooperation.
- Termination . . . . . The agreement may be terminated by either party with 30-day written notice.

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## BUSINESS

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We depend on the population size of potential insureds associated with our channel partners in the distribution of insurance products. As such, the business performance of our channel partners can influence our business performance, highlighting the importance of their operational efficiency and market reach. In selecting our channel partners, we mainly take into account their business nature, operational scale, business sustainability, business prospects and geographical presence. In determining the referral fee rates we offer to our channel partners, we refer to, amongst others, the type of insurance products, the nature of the potential insureds in their scenarios, the population size of the potential insureds and the sustainability of the market reach they offer. For the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, the referral and service fees we paid to channel partners were approximately RMB278.3 million, RMB485.1 million and RMB523.7 million, respectively.

### **Individual insurance brokers**

Our individual insurance brokers possess professional insurance knowledge and experience and promote insurance products through our Baige TanBao platform on WeChat. Individuals can become our brokers by completing online training programs provided by us and earn commission fees for successful distribution. All qualified insurance brokers engaged by us are registered with the NFRA. Due to their registered status, they are governed by the applicable regulations of the NFRA and are permitted to engage in the sale of insurance products we select.

Our Baige TanBao platform offers a diverse array of individuals, including but not limited to gas meter reader, messengers, real estate agents and our employees, the opportunity to join us as our insurance brokers, fostering inclusivity and diversity within our sales network. Our Baige TanBao platform not only provides essential knowledge about our products and the insurance market but also empowers both experienced and inexperienced individuals to succeed in their new roles. Our insurance brokers from various professional backgrounds can connect with different segments of populations, enhancing our overall market penetration. Additionally, potential insureds often prefer to engage with individuals they know. By relying on brokers who are already part of the local community, we build trust and rapport, which can lead to higher conversion rates. We also offer a straightforward way for individuals to create an additional income stream, aligning their financial interests with the sales of insurance products. This incentivizes our insurance brokers to perform well and enables us to penetrate local communities more effectively through word-of-mouth marketing.

Individual insurance brokers can engage other individuals to form marketing teams by simply forwarding invitation link. Those individuals assist individual insurance brokers in promoting products solely for marketing purposes. They do not perform tasks that require qualifications nor do they earn commission fees from us. We have engaged 2,285, 3,314 and 3,764 individual insurance brokers as of December 31, 2022 and 2023 and September 30, 2024, respectively.

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## BUSINESS

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During the Track Record Period, none of our individual insurance brokers was our top five suppliers, and none of the individual insurance brokers contributed over 1% of the total purchase for each year/period. As such, we do not rely on any individual insurance brokers, and there would not be any material adverse impact on our Company should our Company terminate business relationship with any single insurance brokers. We enter into insurance brokerage agreements with all our individual insurance brokers and register them with the NFRA. Salient terms of the insurance broker agreements include:

- Services . . . . . Our individual insurance brokers provide insurance brokerage services on our behalf within the scope of authorization on an exclusive basis.
  
- Fees and payment . . . . . We pay commission fees to our individual insurance brokers for successfully selling insurance products to end consumers. We pay them service fees on a monthly basis.
  
- Terms . . . . . There is no fixed term of the agreement.
  
- Confidentiality . . . . . Each party is responsible for maintaining the confidentiality of any information obtained during the course of cooperation.
  
- Termination . . . . . The agreement may be terminated by either party with 30-day written notice. We may terminate the agreement unilaterally with cause, including material breach of the agreement, loss of qualification, illegal behavior, fraud or otherwise failure to meet our assessments and standards.

The commission fee rates paid by us to our individual insurance brokers are positively correlated with the commission rates received by us from insurance companies to ensure that our Group retains a sufficient and acceptable spread as profit margin for our risk management financial services.



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## BUSINESS

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### OUR TECHNOLOGIES AND RESEARCH AND DEVELOPMENT

We believe that the continued success of our business is dependent on our strong digital capabilities, which supports our entire operation process and improves operational efficiency. During the Track Record Period, we consistently increased our investments in R&D. For the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, we incurred research and development expenses amounting to RMB14.1 million, RMB15.7 million and RMB16.5 million, respectively, accounting for 3.5%, 2.4% and 2.6% of our revenue during the same periods, respectively.

#### Technologies

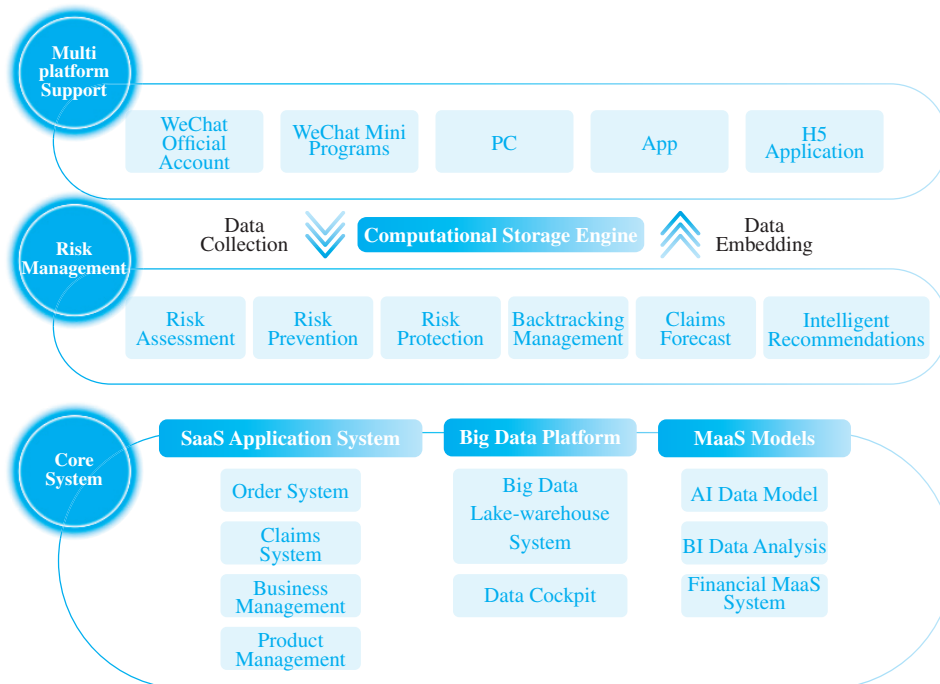
##### *SaaS Application System*

The features of our SaaS application system are as follows:

- ***Full-process SaaS cloud service:*** It offers a comprehensive customized digital risk management solutions covering intelligent underwriting, policy management, after-sales claims, customer service, data analysis and financial and operational management.
- ***High-Concurrency Processing System:*** It is capable of processing up to 100,000 policies per second and the system is highly stable with nearly no packet loss and no latency.
- ***AI Implementation:*** It enables precise marketing to activate insureds’ needs in various scenarios, supports intelligent pricing based on different risk models for differentiated pricing and facilitates convenient claims processing with OCR automatic recognition of claim materials, significantly reducing manual review time.
- ***Big Data Modeling:*** It conducts risk grouping with real-time dynamic feedback.
- ***Risk Management:*** It identifies the causes of risks in different scenarios and provides insights to our ecosystem participants for risk prevention and intervention, with a claim reporting response time of less than three minutes. For information of the underlying logic of our technologies, see the below paragraphs.
- ***Level III Information Security Qualification:*** It empowers insurance companies by ensuring data security for critical projects.
- ***High Development Efficiency:*** It is developed based on modularity, with fully mature functionalities within each module, allowing flexible combinations based on the needs in different scenarios. The fastest project development and launch time can be less than five days.

## BUSINESS

Our digital capabilities are essential for the operations of our full-process digital risk management solutions. We combine our self-developed, scenario-based SaaS application system platforms with a robust back-end big data system and underlying algorithm to create an integrated matrix that designs solutions and enhances their effectiveness throughout our operations. This integrated matrix not only streamlines our risk management processes but also supports continuous improvement and innovation in full-process offerings in the following areas:



- Risk Assessment:** The underlying technology of our big data system allows us to process vast amounts of information from diverse sources, providing a comprehensive view of the risk landscape. Advanced algorithms analyze this data to detect correlations and anomalies, helping us identify risks that may not be immediately apparent. Throughout the operations, our SaaS application system gathers and analyzes the operating data of our scenario-based partners, generating statistical visualization dashboards that quantify risks comprehensively. These dashboards provide clear and actionable insights that effectively communicate risks to ecosystem participants. By visualizing data trends and risk metrics, our partners can make informed decisions about their operations and strategies.
- Risk Prevention:** Our SaaS application system gathers and analyzes the operational data of our scenario-based partners, enabling us to gain a deep understanding of their unique challenges and pain points. By integrating this data with industry-wide benchmarks and trends, we harness the power of big data analytics to provide tailored recommendations and strategic measures that suit our scenario partners’ businesses, aimed at preventing these risks from materializing.

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## BUSINESS

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- ***Risk Intervention:*** Our matrix continually seeks the most accurate risk intervention methodologies in each scenario, balancing costs and needs. By leveraging our big data system, we quantify risks in terms of their likelihood and the potential consequential costs associated with them. This capability allows us to implement tailored risk-shifting strategies that align with the unique circumstances of our ecosystem participants. This is crucial for our sustainability as we must maintain a continuous optimal balance between the pricing structures of upstream insurance companies and the requirements of our downstream enterprises.
- ***Backtracking Management:*** Our matrix enables us to conduct thorough reviews of past incidents and decisions in each scenario. The backtracking capability is powered by our big data system, which aggregates data from our SaaS application system and analyzes historical data from multiple sources. By leveraging advanced analytics, we can identify patterns and trends related to previous risk management strategies, assessing their effectiveness over time.
- ***Claims Forecast:*** This data-driven approach allows us to develop robust predictive models that estimate future liabilities with greater accuracy. For example, by assessing trends in incident occurrences, including but not limited to, seasonal variations, changes in risk landscape and shifts in operational practices and patterns gathered via our SaaS application systems, we can continuously anticipate potential spikes in claims. Using this foresight, we will regularly propose refinements to upstream insurance companies, including adjustments to premium rates or policy terms that better reflect the changing risk profile.
- ***Intelligent Recommendations:*** Our SaaS application system obtains and conducts analysis of the information such as the identity of the insured, category of insurance products, insurance companies and time, and outputs statistical visualization dashboards to further quantify risk management. End consumers can manage their policies and initiate claim application through Baige Accompanying You (白鴿陪你行) WeChat Official Account. In addition, Baige TanBao WeChat Official Account can also help individual insurance brokers with insurance product recommendation and business management.
- ***Data Security:*** We maintain an effective cyber security system to monitor and manage the traffic to our system on a real-time basis. For our daily operation, we collect and store certain personal information of our end consumers. Data collected in the course of our business is stored on our database secured by firewall subject to additional encryption and decryption procedures. We share necessary user information with insurance companies for underwriting and claims purposes only.

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## BUSINESS

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Through the classification of nine major ecosystems, we have effectively consolidated risk data from diverse scenarios, enabling the collection of comprehensive risk information related to individuals across multiple sectors. This includes personal information, order data, claims data, and more, facilitating the creation of detailed and nuanced user profiles and analysis centered at individuals. We are also expanding our business portfolio into new ecosystems and exploring more needs of risk management. As of the Latest Practicable Date, we have over 302 million insured user profiles, data from 68 different production and lifestyle scenarios, over 200,000 claims reports and more than 8.4 billion policy records.

### ***MaaS***

As we iterated and upgraded our intelligent infrastructure SaaS platform and big data system, we initiated our risk management digital transformation towards large models, enriching our expertise in terms of risk perception, risk forecast, risk control and risk intervention. Utilizing data from multiple sources, including our SaaS platforms, we began developing six MaaS-backed models powered by machine learning and AI to automate insights and support informed decision-making in 2024. We will continue to cooperate with third parties in data consolidation and large language models to refine its functionalities.

The development of the large models driven by multi-dimensional data analysis includes the following steps:

***Step 1: Data collection.*** Data is gathered from various information sources. This includes our internal sources, namely, data collected via our SaaS platforms during our daily operations and external sources, such as datasets from third-party providers, industry reports and public databases that provide additional insights into market trends and risk factors. Once gathered, the data undergoes preprocessing and filtering to ensure it is clean, relevant and ready for analysis. This step may include removing duplicates, handling missing values, and standardizing formats.

***Step 2: Multi-level analysis.*** We employ a variety of analytical methods, including but not limited to data mining, machine learning and deep learning, to analyze and extract insights from the data. These methods enable understanding from different perspectives and identifying potential patterns or anomalies.

***Step 3: Dynamic monitoring.*** We implement continuous and periodic monitoring to ensure the model’s understanding of scenario risks remains updated. By regularly updating the data, we can promptly detect potential issues or anomalies, thereby ensuring that the model and its automated insights are based on real-time information and aligned with the evolving risk landscape.

***Step 4: Finalization of large model.*** The large model is launched to empower our AI-driven services.

***Step 5: Iteration and upgrade.*** Through continuous and established mechanisms to gather feedback from model performance and user interactions, we continue to update the model with new data and insights to refine its predictions and adapt to changing risk environments.

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As of the Latest Practicable Date, we are currently developing and upgrading the six MaaS-backed models, which include:

(i) *Ark Forewarning*

- **Primary customers.** Financial institutions, large enterprises, government agencies and infrastructure operators.
- **Automation.** The model identifies scenario risk factors and provides intelligent detection and warning services based on multi-level dynamic analysis by accurately identifying scenario risk factors and conducting real-time warning analyses, ensuring robust operations and secure development. In the context of the digital economy, it can quickly identify risk events within specific scenarios and provide real-time risk assessments and alerts. In the physical economy, it monitors supply chain stability and production safety risks. For government agencies, it supports public safety alerts and disaster analysis.

(ii) *Feimiao Pricing*

- **Primary customers.** Insurance companies, insurance brokerage companies and financial technology companies.
- **Automation.** The model is wide applicable across various insurance sectors. The risk variables of each case are analyzed in real time, enabling personalized, intelligent and timely premium pricing. In the accident insurance sector, it can dynamically price premiums for each activity based on real-time changes in risk factors and claim rates. In the auto insurance sector, the model can analyze driving behavior and vehicle conditions in real time to provide personalized premium quotes for vehicle owners.

(iii) *Zhitong Forecasting*

- **Primary customers.** Insurance companies.
- **Automation.** This model utilizes big data technology and machine learning algorithms to optimize the claims handling process. The constructed predictive model can forecast claims amounts, helping to identify potentially fraudulent activities promptly. Through continuous monitoring and optimization, the intelligent prediction system significantly enhances claims efficiency and accuracy, ultimately improving customer satisfaction.

(iv) *Intelligent Recommendation*

- **Primary customers.** Insurance companies, insurance brokerage companies and individuals.

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- **Automation.** The model analyzes multi-dimensional information such as individual risk tolerance, lifestyle habits, and financial status to provide tailored insurance recommendations, helping consumers find the most suitable insurance products for their needs. For insurance companies, this facilitates precise marketing efforts, increases sales conversion rates, enhances customer experience and satisfaction, and strengthens market competitiveness. The application scenarios for the model are extensive, including but not limited to online insurance sales platforms, insurance brokerage firms and bank-insurance cooperation channels.

(v) *Insight Analysis*

- **Primary customers.** Financial institutions, third-party payment companies and e-commerce platforms.
- **Automation.** The model analyzes the credit status of individuals, enabling companies to optimize their risk control strategies and minimize credit risk while promoting safe transactions. By automating the evaluation process, the model facilitates the provision of tailored financial products and services based on individual credit scores.

(vi) *Credit Verification*

- **Primary customers.** Insurance companies.
- **Automation.** The model is designed to identify potential blacklist users based on data collected from customer service interactions and complaint records. The model assesses behavioral data from users in the business system’s front-end, such as complaint frequency, the reasonableness of complaint content, the tone of communication with customer service representatives and other variables, and automatically determines whether a user exhibits malicious complaints or other inappropriate behaviors, helping insurance companies effectively manage and mitigate risks while streamlining mechanisms for claims review, customer service optimization and fraud detection.

While developing the above big data models, we continuously focus on optimizing the following aspects:

- **Maximize processing capacity.** Our SaaS application system is capable of processing up to 100,000 policies per second, and the system is highly stable with nearly no packet loss and no delay.
- **Optimize real-time auto-adjustments.** We have analyzed the risk profiles of each of the business scenarios using our big data model and developed a comprehensive pricing structure aligned with these associated risks. Our ongoing research focuses on enhancing this model to facilitate real-time adjustments based on a variety of dynamic risk variables. These variables include, but are not limited to, changing weather conditions, fluctuating traffic patterns, and individual-specific factors. This

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requires effective synchronization of data from multiple sources, as well as capabilities for real-time analysis of diverse inputs. For instance, risk profiles may increase during nighttime or adverse weather conditions and our models need to incorporate these real-time variables and automate real-time adjustments accordingly.

- ***Minimize synchronization time.*** We have spent tremendous research on data synchronization. We heavily rely on our real-time features for our solutions, such as real-time insurance applications, real-time transfer of data across our ecosystem participants, real-time external information extraction, real-time analysis and real-time automation. We have developed a comprehensive end-to-end latency monitoring and tracking system to evaluate synchronization performance, enabling continuous optimization of end-to-end synchronization processes.
- ***Optimize flexibility in exploring and extending into new business scenarios.*** We have developed our “9+N Ecosystems” categorizing our solutions and data modules into different segments. Within the same ecosystem, we can recombine these data modules dynamically to design end-to-end solution that satisfies the specific needs of new business scenarios and new market trends.

### Research and Development Team

Our digital capabilities are built by our talented and dedicated R&D team. During the Track Record Period, we have been continuously increasing our research and development expenses. Our R&D team is dedicated to developing digitalization solutions for companies in different industries using advanced AI technologies and data analytics. We focus on building and maintaining a large pool of research talents to drive our R&D efforts and provide comprehensive trainings to new recruits. As of the Latest Practicable Date, we had a team of 38 R&D professionals, representing approximately 28.36% of our total employees. The key members of our R&D team have an average of more than seven years of relevant experience. Our R&D team is led by Mr. Pan Jianfeng, the head of the Technology and Data R&D Center, has worked in the fields of big data and software development at leading technology companies for more than 20 years. The comprehensive experience of our management team in the insurance, financial and internet industries, as well as their strong execution ability, paves the way for the successful operation of our business.

### OUR CUSTOMERS

Our customers are primarily insurance companies in the PRC. For the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, our Group had cooperation with 71, 80 and 75 insurance companies. We have established a long-term cooperative relationship with insurance companies to provide them with risk management financial services, intelligent marketing and digitalization solutions and TPA services, which entail design and development of insurance products, pricing, smart insurance, insurance policy management, claims processing, customer service, data analytics and financial management.

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We consider our digital risk management solutions can explore new income streams, new sales channels and more accurate market positioning for insurance companies. This full-customized and full-process insurance solution development deepens the stickiness of our solutions while allowing us to explore more opportunities with insurance companies. We believe our big data model, being the continuous accumulation of our know-hows and data, are crucial for the long-term expansion of our client base as they enable us to create solutions for new insurance companies efficiently and accurately.

In addition, we provide insurance companies with continuous operations of the insurance developed by us. Our SaaS application system is integrated in the operating systems of insurance companies, enabling a seamless experience that encompasses the entire insurance lifecycle from sales to claims processing. Leveraging our digital capabilities, we streamline insurance companies' operations and enhance overall efficiency.

In view of our established market positioning and sales coverage network, we had not experienced any material difficulties in promoting our risk management financial services and expanding our end consumer base during the Track Record Period.

### **Salient terms of agreements with insurance companies**

Types of insurance products and scope of services . . . . .	Insurances companies engage us to deliver specified insurance products under different insurance scenarios. Our services are generally tailored for the specified scenario-based partner. These include, but not limited to: <ul style="list-style-type: none"><li>(i) identifying and assessing risk scenarios;</li><li>(ii) designing and developing of insurance programs or solutions;</li><li>(iii) integrating real-time system data with our upstream insurance company partner and downstream scenario-based partner;</li><li>(iv) assisting our insurance company partner in collecting insurance premiums; and</li><li>(v) processing claims made under the specified insurance products.</li></ul>
Services . . . . .	We conduct insurance brokerage business within the scope permitted by our business license.



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- Fees and payments . . . . We charge insurance companies commission rates typically specified in the agreement and the commission rates may vary depending on the type of insurance products.
- Period . . . . . The period of the agreement generally ranges from one to three years.
- Termination . . . . . Either party may terminate the agreement by providing prior written notice to other party(ies) (including insurance companies and scenario-based partners) 30 days in advance. The other party(ies) may terminate upon occurrence of any breach of laws and regulations by us as insurance intermediary which is not being rectified.

### **Our five largest customers**

Most of our customers are insurance companies in China. For each of the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, the aggregate revenue generated from our five largest customers in each year/period amounted to RMB223.6 million, RMB455.1 million and RMB499.7 million, respectively, representing 55.3%, 69.0% and 79.2% of our total revenue, respectively. For each of the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, revenue generated from our largest customer amounted to RMB102.2 million, RMB131.8 million and RMB275.1 million, respectively, representing 25.3%, 20.0% and 43.6% of our total revenue, respectively. For further details of customer concentration risks, please refer to the section headed “Risk Factors — Risks Relating to Our Business and Industry — We are subject to customer concentration risk. Our growth and revenue could be materially and adversely affected if we lose any significant client or business partner, or if any significant client or business partner fails to cooperate with us at anticipated levels” in this document. The credit period we granted to our top five customers in each year during the Track Record Period are generally within three months.

During the Track Record Period, our customers generally settled their payments through bank transfer within 60 days.

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The following table sets forth the details of our five largest customers in each year during the Track Record Period:

*For the year ended December 31, 2022:*

Rank	Customer	Background of the customer	Year of commencement of business relationship	Major services provided by us	Amount of revenue	Percentage of total revenue
					<i>RMB'000</i>	<i>%</i>
1. . . .	Customer A	Customer A consists of (i) a PRC-based property and casualty insurance company registered in Shenzhen in 2002 and listed on the Stock Exchange and the Shanghai Stock Exchange; and (ii) its affiliated and related companies.	2017	Risk management financial services	102,227	25.3
2. . . .	Customer B	Customer B consists of (i) a PRC-based property and casualty insurance company registered in Beijing in 2003 and listed on the Stock Exchange; and (ii) its affiliated and related companies.	2017	Risk management financial services	73,478	18.2
3. . . .	Customer C	Customer C consists of (i) a PRC-based property and casualty insurance company registered in Shanghai in 2001 and listed on the Stock Exchange; and (ii) its affiliated and related companies.	2017	Risk management financial services	18,293	4.5

**BUSINESS**

<u>Rank</u>	<u>Customer</u>	<u>Background of the customer</u>	<u>Year of commencement of business relationship</u>	<u>Major services provided by us</u>	<u>Amount of revenue</u>	<u>Percentage of total revenue</u>
					<i>RMB'000</i>	<i>%</i>
4. . . .	Customer D	Customer D is a PRC-based company incorporated in 2021 and principally engages in vehicle rental and repair services.	2022	Intelligent marketing and digitalization solutions	16,456	4.1
5. . . .	Customer E	Customer E consists of (i) a PRC-based property and casualty insurance company registered in Beijing in 2015; and (ii) its affiliated and related companies.	2017	Risk management financial services	13,102	3.2
<b>Total. .</b>					<b>223,556</b>	<b>55.3</b>

***For the year ended December 31, 2023:***

<u>Rank</u>	<u>Customer</u>	<u>Background of the customer</u>	<u>Year of commencement of business relationship</u>	<u>Major services provided by us</u>	<u>Amount of revenue</u>	<u>Percentage of total revenue</u>
					<i>RMB'000</i>	<i>%</i>
1. . . .	Customer A	Customer A consists of (i) a PRC-based property and casualty insurance company registered in Shenzhen in 2002 and listed on the Stock Exchange and the Shanghai Stock Exchange; and (ii) its affiliated and related companies.	2017	Risk management financial services	131,800	20.0

## BUSINESS

Rank	Customer	Background of the customer	Year of commencement of business relationship	Major services provided by us	Amount of revenue <i>RMB'000</i>	Percentage of total revenue <i>%</i>
2. . . .	Customer F	Customer F consists of (i) a PRC-based property and casualty insurance company registered in Beijing in 2005 and listed on the Stock Exchange; and (ii) its affiliated and related companies.	2017	Risk management financial services	123,258	18.7
3. . . .	Customer B	Customer B consists of (i) a PRC-based property and casualty insurance company registered in Beijing in 2003 and listed on the Stock Exchange; and (ii) its affiliated and related companies.	2017	Risk management financial services	112,737	17.1
4. . . .	Customer G	Customer G consists of (i) a PRC-based InsurTech company registered in Shanghai in 2013 and listed on the Stock Exchange; and (ii) its affiliated and related companies.	2017	Risk management financial services	47,070	7.1
5. . . .	Customer C	Customer C consists of (i) a PRC-based property and casualty insurance company registered in Shanghai in 2001 and listed on the Stock Exchange; and (ii) its affiliated and related companies.	2017	Risk management financial services	40,279	6.1
<b>Total. .</b>					<b>455,144</b>	<b>69.0</b>

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*For the nine months ended September 30, 2024:*

Rank	Customer	Background of the customer	Year of commencement of business relationship	Major services provided by us	Amount of revenue	Percentage of total revenue
					<i>RMB'000</i>	<i>%</i>
1 . . .	Customer F	Customer F consists of (i) a PRC-based property and casualty insurance company registered in Beijing in 2005 and listed on the Stock Exchange; and (ii) its affiliated and related companies.	2017	Risk management financial services	275,104	43.6
2 . . .	Customer B	Customer B consists of (i) a PRC-based property and casualty insurance company registered in Beijing in 2003 and listed on the Stock Exchange; and (ii) its affiliated and related companies.	2017	Risk management financial services	87,701	13.9
3 . . .	Customer A	Customer A consists of (i) a PRC-based property and casualty insurance company registered in Shenzhen in 2002 and listed on the Stock Exchange and the Shanghai Stock Exchange; and (ii) its affiliated and related companies.	2017	Risk management financial services	82,913	13.1

## BUSINESS

Rank	Customer	Background of the customer	Year of commencement of business relationship	Major services provided by us	Amount of revenue <i>RMB'000</i>	Percentage of total revenue <i>%</i>
4 . . .	Customer C	Customer C consists of (i) a PRC-based property and casualty insurance company registered in Shanghai in 2001 and listed on the Stock Exchange; and (ii) its affiliated and related companies.	2017	Risk management financial services	38,999	6.2
5 . . .	Customer D	Customer D is a PRC-based company incorporated in 2021 and principally engages in vehicle rental and repair services.	2022	Intelligent marketing and digitalization solutions	14,942	2.4
<b>Total .</b>					<b>499,659</b>	<b>79.2</b>

To the best knowledge of our Directors, during the Track Record Period, none of our Directors or any Shareholders owning more than 5% of our issued share capital nor any of their respective associates had any interest in any of our five largest customers.

During the Track Record Period and up to the Latest Practicable Date, there were no litigations or arbitration or disputes between us and our major customers which have a material adverse impact on our business operation or financial condition.

### Reliance on major customers

We derived a significant portion of our revenue from a small number of insurance companies, including, in particular, Customer A and Customer F, which were our top customers during the Track Record Period, with respect to our risk management financial services. For the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, our revenue attributable to Customer A amounted to approximately RMB102.2 million, RMB131.8 million and RMB82.9 million, respectively, which accounted for approximately 25.3%, 20.0% and 13.1% of our total revenue for the corresponding period, respectively. For the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, our revenue attributable to Customer F amounted to approximately RMB1.3 million, RMB123.3 million and RMB275.1 million, respectively, which accounted for approximately 0.3%, 18.7% and 43.6% of our total revenue for the corresponding period, respectively. This concentration of our

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major customers is mainly due to the fact that the insurance market in the PRC is highly concentrated, where the top 10 insurance providers in the PRC accounted for approximately over 60% of the market share in 2023. Therefore, as advised by CIC, it is common that an insurance intermediary in the PRC would have certain degree of customer concentration as they prefer to provide insurance agency services to a few top insurance companies.

As at the Latest Practicable Date, we had maintained over seven years of business relationship with most of our top five customers in each year/period during the Track Record Period.

### **OUR SUPPLIERS**

Our suppliers primarily consist of (i) channel partners, (ii) IT services providers and (iii) information technology for promotion services. We generally enter into legally binding agreements with our suppliers for a term of one year to three years, and we typically settle payment with our suppliers through bank transfer on a periodic basis.

#### **Our five largest suppliers**

During the Track Record Period, purchases from our five largest suppliers for each of the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024 amounted to RMB182.9 million, RMB265.3 million and RMB254.0 million, respectively, representing 45.6%, 40.6% and 41.2% of our total purchases, respectively. For each of the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, purchases from our largest supplier amounted to RMB61.8 million, RMB119.1 million and RMB85.1 million, respectively, representing 15.4%, 18.2% and 13.8% of our total purchases, respectively.

**BUSINESS**

The tables below set forth a summary of our five largest suppliers in each year/period during the Track Record Period:

*For the year ended December 31, 2022:*

Rank	Supplier	Background of the supplier	Year of commencement of business relationship	Major services provided to us	Approximate amount of purchase <i>RMB'000</i>	Approximate percentage of our total purchase <i>%</i>
1 . . .	Supplier A	Supplier A is a PRC-based technology company registered in 2019 and primarily engages in providing software development, information technology services and marketing services.	2020	Referral and promotion services	61,785	15.4
2 . . .	Supplier B	Supplier B is a PRC-based technology company registered in 2021 and deregistered in June 2024, which primarily engaged in providing information system integration services and intelligent human resources services.	2022	(i) Referral and promotion services, and (ii) intelligent marketing and digitalization solutions	41,284	10.3
3 . . .	Supplier C	Supplier C consists of (i) a PRC-based company registered in 2015 and primarily engages in providing data analysis services, technical promotion and digital marketing solutions; and (ii) its affiliated and related companies.	2022	Referral and promotion services	29,655	7.4



**BUSINESS**

<b>Rank</b>	<b>Supplier</b>	<b>Background of the supplier</b>	<b>Year of commencement of business relationship</b>	<b>Major services provided to us</b>	<b>Approximate amount of purchase</b> <i>RMB'000</i>	<b>Approximate percentage of our total purchase</b> <i>%</i>
4 . . .	Supplier D	Supplier D consists of (i) a PRC-based technology promotion services provider registered in 2019 and primarily engages in providing integrated information technology service and technical consulting services; and (ii) its affiliated and related companies.	2022	(i) Referral and promotion services, and (ii) intelligent marketing and digitalization solutions	27,124	6.8
5 . . .	Supplier E	Supplier E is a PRC-based company registered in 2020 and primarily engages in providing information system integration services and comprehensive management solutions covering task allocation, business registration, identity verification and intelligent tax filing.	2022	Referral and promotion services	23,084	5.8
<b>Total .</b>					<b>182,932</b>	<b>45.7</b>

**BUSINESS**

*For the year ended December 31, 2023:*

Rank	Supplier	Background of the supplier	Year of commencement of business relationship	Major services provided to us	Approximate amount of purchase <i>RMB'000</i>	Approximate percentage of our total purchase <i>%</i>
1 . . .	Supplier F	Supplier F consists of (i) a PRC-based technology company registered in 2001 and listed on the Shenzhen Stock Exchange, which specializes in design, production, sales and service of payment terminal equipment; and (ii) its affiliated and related companies.	2023	Referral and promotion services	119,055	18.2
2 . . .	Supplier G	Supplier G consists of (i) a PRC-based digital services provider registered in 2005 and primarily engages in providing data analysis services, ICT services and digital marketing solutions; and (ii) its affiliated and related companies.	2022	Referral and promotion services	42,792	6.6
3 . . .	Supplier A	Supplier A is a PRC-based technology company registered in 2019 and primarily engages in providing software development, information technology services and marketing services.	2022	Referral and promotion services	41,592	6.4

**BUSINESS**

<b>Rank</b>	<b>Supplier</b>	<b>Background of the supplier</b>	<b>Year of commencement of business relationship</b>	<b>Major services provided to us</b>	<b>Approximate amount of purchase</b> <i>RMB'000</i>	<b>Approximate percentage of our total purchase</b> <i>%</i>
4 . . .	Supplier B	Supplier B is a PRC-based technology company registered in 2021 and deregistered in June 2024, which primarily engaged in providing information system integration services and intelligent human resources services.	2022	(i) Referral and promotion services, and (ii) intelligent marketing and digitalization solutions	36,150	5.5
5 . . .	Supplier H	Supplier H consists of (i) a PRC-based information technology company registered in 2016 and primarily engages in providing value-added telecommunication services and technical services; and (ii) its affiliated and related companies.	2022	Referral and promotion services	25,752	3.9
<b>Total .</b>					<b>265,341</b>	<b>40.6</b>

**BUSINESS**

*For the nine months ended September 30, 2024:*

Rank	Supplier	Background of the supplier	Year of commencement of business relationship	Major services provided to us	Approximate amount of purchase <i>RMB'000</i>	Approximate percentage of our total purchase <i>%</i>
1 . . .	Supplier I	Supplier I is a PRC-based technology company registered in Shanghai in 2017 primarily specializes in providing technical consulting services, software development services and information technology services.	2024	Referral and promotion services	85,125	13.8
2 . . .	Supplier F	Supplier F consists of (i) a PRC-based technology company incorporated in 2001 and listed on the Shenzhen Stock Exchange, which specializes in design, production, sales and service of payment terminal equipment; and (ii) its affiliated and related companies.	2023	Referral and promotion services	65,177	10.6
3 . . .	Supplier J	Supplier J is a PRC-based technology company incorporated in 2022 and primarily engages in providing integrated information technology services and technical consulting services.	2024	Referral and promotion services	48,260	7.8

**BUSINESS**

<b>Rank</b>	<b>Supplier</b>	<b>Background of the supplier</b>	<b>Year of commencement of business relationship</b>	<b>Major services provided to us</b>	<b>Approximate amount of purchase</b> <i>RMB'000</i>	<b>Approximate percentage of our total purchase</b> <i>%</i>
4 . . .	Supplier G	Supplier G consists of (i) a PRC-based digital services provider registered in 2005 and primarily engages in providing data analysis services, ICT services and digital marketing solutions; and (ii) its affiliated and related companies.	2022	Referral and promotion services	35,294	5.7
5 . . .	Supplier K	Supplier K consists of (i) a PRC-based information consulting services provider registered in 2018 and primarily engages in providing tourism information consultation services, business services and public relation services; and (ii) its affiliated and related companies.	2024	Referral and promotion services	20,123	3.3
<b>Total .</b>					<b>253,979</b>	<b>41.2</b>

To the best knowledge of our Directors, for each year during the Track Record Period, all of our five largest suppliers were Independent Third Parties. None of our Directors or any Shareholders owning more than 5% of our issued share capital nor any of their respective associates had any interest in any of our five largest suppliers.

During the Track Record Period and up to the Latest Practicable Date, there were no litigations or arbitration or disputes between us and our major suppliers which have a material adverse impact on our business operation or financial condition.

## BUSINESS

### OVERLAPPING OF MAJOR CUSTOMERS AND SUPPLIERS

During the Track Record Period, among our top five customers and suppliers, we had 4 overlapping customers and suppliers. The following sets forth our revenue and purchase amount in each year/period:

Period	Revenue derived from such customer/supplier	Approximate percentage of our total revenue	Purchase amount from such customer/supplier	Approximate percentage of our total purchase	Reasons for overlapping
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	
Customer A . . . . . For the year ended December 31, 2022	102,227	25.3	393	0.1	In the year ended December 31, 2022, our Company purchased insurance products from Customer A and provided such insurance products to certain end consumers at our cost for marketing and promotion purposes, with a goal to increase our brand visibility and the awareness of solutions and services we provide.
For the year ended December 31, 2023	131,800	20.0	–	–	
For the period ended September 30, 2024	82,913	13.1	–	–	
Customer G . . . . . For the year ended December 31, 2022	12,264	3.0	6,288	1.6	In the year ended December 31, 2022 and 2023, our Company primarily procured services from separate affiliated companies of Customer G for the purpose of facilitating our business operation and expansion, Customer G granted the authorization to use its patented software and provided marketing and promotion services. We paid service fees to Customer G.
For the year ended December 31, 2023	47,070	7.1	22,289	3.4	
For the period ended September 30, 2024	8,194	1.3	–	–	

## BUSINESS

Period	Revenue derived from such customer/supplier	Approximate percentage of our total revenue	Purchase amount from such customer/supplier	Approximate percentage of our total purchase	Reasons for overlapping
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	
Supplier D . . . . . For the year ended December 31, 2022	3,799	0.9	27,124	6.8	In the year ended December 31, 2022, Supplier D engaged our Company to provide online marketing and promotion services with technical support.
For the year ended December 31, 2023	-	-	7,986	1.2	
For the period ended September 30, 2024	-	-	1,802	0.3	
Supplier H . . . . . For the year ended December 31, 2022	9,420	2.3	14,528	3.6	During the Track Record Period, Supplier H engaged our Company to develop marketing plans, deliver marketing and promotion services and support system module development and operation.
For the year ended December 31, 2023	2,749	0.4	25,752	3.9	
For the period ended September 30, 2024	316	*	7,907	1.3	

\* The percentage is less than 0.1%.

Our Directors confirmed that negotiations of the terms of our sales to and purchases from the overlapping customer-suppliers were conducted independently, and these sales and purchases were independent from one another. The terms of transactions with the overlapping customer-supplier are of normal commercial terms and similar to those transactions with our other customers and suppliers. According to CIC, such scenario is consistent with the norms of the industry, as the overlapping of customers and suppliers is due to diversity of business relationships rather than out of singular business relationship. Such situation is common in large among diversified insurance or financial conglomerates and certain technology companies with rich and holistic technical resources. As long as the transactions are priced fairly, the business operations are independent, and there is no transfer of benefits, this kind of overlapping is deemed reasonable and in compliance with industry standards.

## SEASONALITY

Our business operation is generally not subject to seasonality changes.

## BUSINESS

### MARKET AND COMPETITION

While we believe we do not face direct competition with any specific risk management solution providers in the PRC, we encounter competition in each of our business segments and applicable scenarios. The digital risk management solutions industry in China presents a highly competitive and fragmented market landscape. According to the CIC report, the market size of scenario-based digital risk management solutions has experienced constant growth with a market size (in terms of premium income) of RMB51.1 billion in 2019 to RMB79.4 billion in 2023, and will maintain a steady growth trend with an expectation to reach RMB130.1 billion in 2028, representing a CAGR of 10.4% between 2023 and 2028. According to the CIC Report, we ranked first among China’s scenario-based insurance digital risk management solutions providers in terms of revenue recognized in 2023. We face competition from traditional insurance companies that deliver its own insurance products directly to end consumers through in-house brokers. We face competition from online and offline insurance intermediaries that connect insurance companies and end consumers for commissions. However, we believe our innovative business model and strong digital operation capabilities allowing us to thrive in this competitive market environment. For details regarding the competitive landscape of the industry in which we operate, see “Industry Overview” in this Document.

### PATH TO PROFITABILITY

We are still at the early stage of our long-term business development and have witnessed resilient revenue growth. During the Track Record Period, we achieved strong revenue growth from RMB404.5 million in 2022 to RMB659.9 million in 2023 and from RMB454.2 million for the nine months ended September 30, 2023 to RMB631.2 million for the nine months ended September 30, 2024. According to the CIC Report, we ranked first among China’s scenario-based digital risk management solutions providers with a market share of 4.4% in China in terms of revenue. The following table sets forth our financial performance for the years/periods indicated:

	For the year ended December 31,		For the nine months ended September 30,	
	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(unaudited)</i>	
Revenue . . . . .	404,524	659,902	454,187	631,191
Gross profit . . . . .	33,505	52,050	34,951	50,610
Gross profit margin . . . . .	8.3	7.9	7.7	8.0
Loss for the year/period . . . . .	(25,075)	(17,180)	(14,720)	(15,576)
Adjusted loss for the year/period (non-HKFRS measure) . . . . .	(19,723)	(13,460)	(8,204)	(8,887)



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We have implemented a number of growth strategies including refinement of our digital risk management solutions, exploring new scenarios, strengthening technological capabilities, expanding customer base and improving talent retention and recruitment. During the Track Record Period, the above strategies were proven to be generally effective in improving our operational and financial performance. However, our growth in revenue had yet to be able to recover the costs and expenses incurred during the Track Record Period. In 2022 and 2023 and for the nine months ended September 30, 2023 and 2024, we had net losses of RMB25.1 million, RMB17.2 million, RMB14.7 million and RMB15.6 million, respectively. After elimination of the effects of [REDACTED], gains of loss in connection with puttable shares liabilities and share-based compensation, in 2022, 2023 and for the nine months ended September 30, 2023 and 2024 our adjusted net loss (non-HKFRS measure) was RMB19.7 million, RMB13.5 million, RMB8.2 million and RMB8.9 million, respectively. See “Financial Information — Non-HKFRS Measure”.

We incurred net losses primarily because we were still at a ramp-up stage and have yet to fully realize economies of scale, and we aim at long-term business success and financial return in the digital risk management industry, rather than seeking near-term profitability at the expense of long-term market potential. The scenario-based digital risk management solutions in which we operate is highly competitive, and the landscape is rapidly evolving. According to CIC Report, the top five scenario-based insurance digital risk management solutions providers in aggregate only held 8.2% market share in 2023. Meanwhile, our Group’s business and technical indicators are far higher than those of other digital risk management solutions provider for scenarized insurance. For details of the comparison, please refer to the paragraph headed “Industry Overview — Competitive Landscape of Insurance Digitalization Service Market of PRC — Ranking of Scenario-based Insurance Risk Management Solution Providers in the PRC”. At the early stage of our development, we strategically invested in our research and development to better understand characteristics and the risk portfolio across multiple scenarios and continuously evolving risk landscape, and actively explore new risk scenarios to strengthen our customer base and drive future growth. Our focus has always been on enhancing our core technological capabilities and actively launching new customized risk management to strengthen our customer base, rather than pursuing short-term profitability. We are not able to predict when we will be able to start generating net profits and net operating cash inflow due to the fast-evolving business environment and competitive landscape. See “Risk Factors — Risks Relating to Our Business and Industry — We had incurred loss from continuing operations and negative operating cash flow during the Track Record Period and there can be no assurance that we will not have loss from continuing operations and negative operating cash flow in the future”.

We believe that the ramp-up period is a crucial stage for us, as it lays the groundwork for long-term growth by supporting early customer acquisition, nurturing strong relationships with our ecosystem participants and aiding market penetration. Although these necessary investments have temporarily affected our profitability, they are vital for positioning us to seize future opportunities in the rapidly expanding market for digital risk management business. As our technology and risk analytical skills progress and mature, and as we move towards achieving economies of scale and enhance operational efficiency, we anticipate achieving significant cost savings and improved pricing power in our solutions. These advancements are expected to gradually bolster our gross margins and overall profitability, setting the stage for sustainable long-term growth.

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As we progress, we expect to see enhanced profitability in our digital risk management business, fueled by several key factors: (i) revenue growth; (ii) cost efficiencies gained from improved solutions development processes; (iii) economies of scale achieved through broadened scenario coverage; and (iv) efficient management of working capitals.

### **Revenue Growth**

We achieved strong revenue growth during the Track Record Period, from RMB404.5 million in 2022 to RMB659.9 million in 2023 and from RMB454.2 million for the nine months ended September 30, 2023 to RMB631.2 million for the nine months ended September 30, 2024. We anticipate continued revenue growth, driven by several factors:

### **Deepening our relationships with insurance company partners**

We expect to further enhance our relationships with existing insurance company partners. As of the Latest Practicable Date, we cooperated with 63 out of 84 property and casualty insurance companies nationwide, fully covering the top 20 property and casualty insurance companies in the PRC in terms of insurance premiums. We have also established long-term relationships with insurance companies. We intend to capitalize on the relationships established with our existing insurance company partners to further discover and meet their needs for our risk management financial services and stay at the technological forefront of the market. We are committed to continuing exploring new risk scenarios and customizing new scenario-based insurance policies and solutions to broaden their customer base and distribution channels. Meanwhile, we focus on continuous iteration of our solutions delivered to existing customers to further strengthen such ties for long-term retention and loyalty.

We anticipate that the stickiness of our solutions will increase over time, resulting in stronger, more resilient collaborations with insurance companies. Our full-process solutions are designed to address every aspect of our scenarios, from initial assessment to implementation and ongoing support. By providing a holistic approach, we simplify insurance companies' operations and create a seamless experience that encourages them to remain engaged with our services. Additionally, our solutions are specifically tailored to meet the unique needs of each specific scenario, allowing us to gain valuable insights into downstream sales channels. This understanding enables us to optimize these channels effectively and dominate the channels. As of the Latest Practicable Date, we have accumulated 68 scenarios in our risk management financial services. As we continue to expand our reach to wider population, we will gain greater bargaining power, allowing us to negotiate more favorable terms in our collaborations with insurance company partners.

### **Expanding collaborations with scenario-based partners**

Our success is dependent on our exploration of understanding different scenarios. As we explore into more scenarios, we gain access to larger population of end consumers. We believe our big data model, being the continuous accumulation of our know-hows and data, are crucial for the long-term expansion of our client base as they enable us to create solutions specific to

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new scenarios swiftly. For example, successful scenarios can be replicated across other contexts within our ecosystem. This adaptability not only enhances our ability to innovate but also streamlines our development processes. By leveraging insights gained from one scenario, we can efficiently apply proven strategies and solutions to similar situations, thereby reducing development costs and time-to-market. This replication process fosters a culture of continuous improvement and optimization, enabling us to deliver high-quality, customized solutions rapidly.

### **Cost Efficiencies Gained From Improved Solutions Development Processes**

#### **Optimization of solutions development processes**

Through our daily business operations, we continually gather data via our SaaS platforms during our daily operations. This ongoing process of data mining and data cleansing enables us to develop sophisticated big data models that generate valuable insights. Our accumulated know-how helps us to recognize specific gaps of protection in the scenarios, enabling us to tailor our solutions to meet these needs swiftly.

By leveraging the analytical capabilities of these models, we can streamline our development processes significantly, in terms of market trends, customer preference, risk analysis, pricing and more. This approach not only reduces the time and resources spent on solutions development but also minimizes the risk of misalignment.

Furthermore, by effectively utilizing our in-house data, we can reduce our reliance on third-party data and enhances our operational cost efficiency. Data extracted from the continuous operations of our solutions enables us to continually refine our solutions from time to time. This decreased dependency on external data sources not only lowers our expenses related to data acquisition but also allows us to maintain greater control over the quality and relevance of the data we use. We therefore anticipate operating cost in connection with our existing scenarios will continue to decrease.

#### **Replication of solutions**

Successful scenarios can be replicated across various contexts within an ecosystem, allowing us to leverage our adaptability to enhance innovation while streamlining operations. By utilizing insights gained from one scenario, we can efficiently apply proven strategies and solutions to similar new scenarios, which significantly reduces both development costs and time-to-market.

Moreover, this streamlined approach not only minimizes our expenditure, but also time resources which ultimately maximizes our responsiveness to market demands. As we refine our development processes, we enhance our ability to anticipate and meet the diverse needs of our clients in a timely manner, efficiently utilizing both time and resources. This strengthens our competitive edge and ensures we remain agile in a fast-paced market.

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### **Economics of Scale Achieved Through Broadened Scenario Coverage**

We have established advanced big data models to enhance our R&D capabilities and streamline the solutions development process. Our digital capabilities facilitate a seamless progression from identifying risk scenarios to conducting data analytics, and further to customization and digitalization. During the Track Record, we rapidly launched new scenarios, with 46, 55 and 62 recorded as of December 31, 2022 and 2023 and September 30, 2024. As our business scales, we anticipate significant economies of scale as we achieve broadened scenario coverage. Broadened scenario coverage enables us to spread overheads across a larger number of projects, which reduces the average cost per project. Furthermore, with larger order volumes and a growing base of repeated end consumers, we expect to secure favorable terms with our channel partners, further reducing operating costs.

### **Management of Working Capitals**

We strive to ensure efficient working capital management. As of December 31, 2022, 2023 and September 30, 2024, our net allowance for impairment loss on financial assets, mainly representing our trade receivables, amounted to RMB1.7 million, RMB3.4 million and RMB5.0 million, respectively. During the Track Record Period, we experienced decreasing trade receivables turnover days. Additionally, the balance of trade receivables aged over one year and overdue trade receivables decreased during the Track Record Period, and as of September 30, 2024, our trade receivables which aged over one year was nil. This trend is primarily attributed to our incorporation of API into our SaaS application system across more scenarios, facilitating exchange of information and enhancing reconciliation processes with insurance companies.

As such, after taking into account the financial resources available to us, we are of the view that we have sufficient working capital for our present requirements and for the next 12 months from the date of this document.

The foregoing forward-looking statements on our future revenue and profitability are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Our business growth and long-term profitability is subject to known and unknown risks, uncertainties and other factors, some of which are beyond our control, and they may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements set out above. See “Risk Factors — Risks Relating to Our Business and Industry.”

Based on the foregoing, our Directors are of the view, and the Joint Sponsors concur, that the efforts described above have contributed to and are expected to continue to drive and maintain the sustainability of our Group’s business.

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### LICENSES AND PERMITS

We are subject to various regulatory licensing requirements governing our operations. During the Track Record Period and up to the Latest Practicable Date, we had obtained and from time to time renew all material licenses and permits that are required for our business operations. The following table sets forth our material licenses as of the Latest Practicable Date:

License	Permitted business scope	Holder	Issuing authority	Date of grant	Expiry date
Insurance Intermediary License (Nationwide) (保險中介許可證(全國)).	Acting for the policyholders to prepare insurance plans, select insurers and handle insurance application procedures; assisting the insureds or beneficiaries in making claims; engaging in reinsurance brokerage services, providing disaster prevention, loss prevention, risk assessment, risk management consultation services; and other business activities approved by the Financial Regulatory Authority	Baigebao Insurance Brokers Co., Ltd.	National Financial Regulatory Administration-Xiamen (國家金融監督管理總局廈門監管局)	September 14, 2007	September 28, 2027
Value-added Telecommunication Services Operating License (增值電信業務經營許可證) . . . . .	Information service business (limited to Internet information services) excluding information search and query services, and instant interactive information services	Baigebao Insurance Brokers Co., Ltd.	Fujian Communications Administration (福建省通信管理局)	March 29, 2022	March 29, 2027
Value-added Telecommunication Services Operating License (增值電信業務經營許可證) . . . . .	Information service business (limited to Internet information services) excluding information search and query services, and instant interactive information services	Shanghai Weizhijin Network Technology Co., Ltd.	Shangahi Communications Administration (上海市通信管理局)	February 18, 2022	March 29, 2027

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License	Permitted business scope	Holder	Issuing authority	Date of grant	Expiry date
Level III Filing Certification of Information System Security Protection (信息系統安全等級保護第三級備案證明) . . . . .	N/A	Baigebao Insurance Brokers Co., Ltd.	Xiamen Municipal Public Security Bureau (廈門市公安局)	January 14, 2021	N/A
Certificate of Quality Management System Certification (質量管理體系認證證書). . . . .	N/A	The Company	Beijing Xinjiyuan Certification Co., Ltd.	December 1, 2022	November 30, 2025
Certificate of Quality Management System Certification (質量管理體系認證證書). . . . .	N/A	Shanghai Weizhijin Network Technology Co., Ltd.	Huayi Certification Center Co., Ltd	September 23, 2022	September 22, 2025
Integration of Informatization and Industrialization Management System Certificate (兩化融合管理體系評定證書). . . . .	N/A	The Company	Zhongdian Hongxin Information Technology Co., Ltd.	February 24, 2023	February 23, 2026
Data Vendor Registration Certificate (數據商登記證). . . . .	Digital full-process risk management services, high-quality data processing and production services, integrated data production services and data application value mining services	The Company	Huadong Jiangsu Big Data Trade Center	July 31, 2024	July 31, 2025

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### EMPLOYEES

As of the Latest Practicable Date, we had 134 employees in the PRC who were directly employed by us. The following table sets out a breakdown of our employees by function as of the Latest Practicable Date:

Category	Number of employees	Percentage of our employees
Sales and marketing . . . . .	37	27.61%
Research and development . . . . .	38	28.36%
Operation . . . . .	40	29.85%
Management . . . . .	19	14.18%
<b>Total</b> . . . . .	<u>134</u>	<u>100%</u>

Our success depends on our ability to attract, recruit and motivate talents, and we believe that our talent is one of our competitive strengths. We pursue fairness and transparency in our recruitment processes and adopt high standards and strict procedures in our recruitment process. When we make hire decisions, we take into account candidates’ work experience, educational background, diversity and vacancy needs. We use various methods for our recruitment, including campus recruitment, online recruitment, internal recommendation and recruiting through executive search to satisfy our demand for different types of talents.

We enter into standard employment contracts with our employees. These contracts typically include a confidentiality provision effective during and after their employment with us. Our standard employment contract also includes specific intellectual property rights provisions such that all intellectual property created or developed during the course of employment are owned by and will belong solely to us. As required under PRC law and regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment benefit plans.

We pay attention to our employees’ individual career development plans and motivate them to achieve higher career goals. We provide regular and specialized training tailored to the needs of our employees in different departments. New employees will receive pre-job training and general training. In addition, we implement transparent promotion procedures, including a performance review system under which our employees’ performance and competence are regularly evaluated and reward those who perform well with higher compensation or promotion. We foster strong employee relations by offering various staff benefits and personal development support.

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We believe we have maintained good working relationships with labor unions and our employees. During the Track Record Period and up to the Latest Practicable Date, we were not subject to material claims, lawsuits, penalties or administrative actions relating to non-compliance with occupational health and safety laws or regulations, and had not experienced any strikes, labor disputes or industrial actions which have had a material effect on our business.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We believe a positive environmental, social and governance (“ESG”) impact on our communities is an integral part of our business, and we are dedicated to promoting corporate social responsibilities and sustainable development. We have integrated ESG with our mission and plan to adopt an ESG governance structure setting out specific practice guidelines in three dimensions of environment, society and governance to ensure that we carry out ESG-related practices in a standardized and effective manner in all aspects. We are committed to complying with ESG reporting requirements upon our [REDACTED] and proactively engaging with our ecosystem participants on our ESG practices and performance. As confirmed by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the applicable PRC laws, regulations and rules relating to health, safety or environmental regulations. And we did not have any incidents or complaints which had a material and adverse effect on our business, financial condition or operations of business during the period.

#### Environmental Responsibility

Due to the nature of our business, we do not operate any production facilities but instead conduct a majority of our operations online, which we believe does not impose material threats to the environment or the climate. Despite the environmental impact directly caused by us is minimal, we have made significant efforts towards environmental protection and energy efficiency. We intend to develop solutions aiming to help enterprises and other organizations across various industries to enhance the effectiveness for communications and thereby enable greater sustainability. Through scientific classification, cooperative recycling, green procurement and technological innovation, we strive to achieve the reduction, recycling and harmlessness of waste. At the same time, we have set clear environmental-friendly targets and continue to promote energy conservation and emission reduction through comprehensive energy audits and the implementation of energy conservation measures. During the Track Record Period and up to the Latest Practicable Date, there were no incidents of material environmental non-compliance, nor have we been involved in any environmental-related penalties or litigation.



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*Environmental metrics and targets*

*Greenhouse Gas Emissions*

We have assessed quantitative information that reflects our management of ESG-related risks, which primarily includes greenhouse gas emissions and energy consumption. We do not involve in material emissions or consumption due to our business nature. We adhere to and appreciate the importance of integrating green development into daily operation, aiming at conducting our business in an environmentally friendly manner. To move forward with the goals, we will adopt resource conservation management policies and encouraging resource consumption efficiency and saving behaviors among our employees during our daily operations to further reduce water consumption.

*Resources Consumption*

The following table sets forth the breakdown of our energy consumption in each period of the Track Record Period:

	Year ended December 31,		Nine months ended September 30,	
	2022	2023	2023	2024
<b>Energy consumption</b>				
Electricity consumption				
(kWh) . . . . .	254,340	277,500	216,670	236,160
Electricity consumption				
intensity (kWh/person) . . . .	2,355	2,500	1,970	1,968

Given that substantially all of our operations are carried out in the office, the individual water consumption wherein by our employees from office facilities are generally included in the management fee or complimentary, and there were thus no available records during the Track Record Period. Considering the sporadic nature of water consumption in association of our operations, our Directors are of the view that the wastewater generated therefrom is relatively limited. In addition, we implemented the following measures in the course of our business operations to reduce resources consumptions:

- conducting trainings and remainders for our employees on electricity and paper saving, such as turning off unnecessary air conditioning, lighting and power equipment in a timely manner when the devices are not in operation and before they leave the premises, and waste classification and recycling;
- arranging daily inspections of office areas to turn off lights for unused conference rooms or working areas to save electricity energy;

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- setting up waste sorting containers separately to recycle and/or re-use used batteries and papers, among other work wastes, to the extent possible;
- posting green energy-saving logos at the air conditioning switches in workplaces and requesting the control of air-conditioning cooling temperatures of no less than 25°C; and
- actively digitalizing our business and promoting a paperless office where double-sided printing is encouraged with respect to documents that must be printed.

We keep track of our energy consumption as a mean to evaluate the effectiveness of our environmental protection measures. We will continue to monitor our energy consumption in order to re-evaluate the efficiency of electricity and water consumptions in our operations.

### Social Responsibility

#### *Diversity and inclusion*

We understand that respecting diversity is an important cornerstone of our Group’s sustainable development. We dedicate to put efforts to create a working environment that is inclusive and respectful of the differences of all employees and promote diversity in terms of race, gender, age, religious beliefs, sexual orientation, educational background and work experience. We provide equal opportunities for candidates and employees in the areas of recruitment and selection, training and development, performance evaluation and promotion, and take into account their diverse backgrounds and contributions. The table below sets forth the composition of our total workforce in terms of gender and age as of the Latest Practicable Date.

Type	As of Latest Practicable Date	
	Male	70
Gender . . . . .	Female	64
	>45	11
Age . . . . .	31-45	56
	≤30	67

Our employee handbook effectively communicates our human resources management system, salary management system, reward and punishment system, and code of conduct to our employees.

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### *Charitable programs*

We have made contributions to the welfare of society and sharing our corporate social responsibility through charitable programs and donations. As part of our commitment to social welfare, we have undertaken initiatives such as the “Little Follower Umbrella Public Welfare Program” (小花傘公益保障項目) to provide support and resources addressing health and safety issues to vulnerable groups, particularly children and families in need. “Little Follower Umbrella Public Welfare Program” has been running since October 2017, and has successfully assisted more than 8,000 children and 1,600 street sanitation workers in applying insurance, with a total insurance coverage value exceeding RMB2.0 billion. By leveraging the power of insurance technology, the “Little Flower Umbrella Public Welfare Program” continues to expand its reach, improve the quality and level of its services and commits to address the health and safety protection needs of households facing difficulties in accessing social welfare.

In addition, we initiated and registered White Dove Charity (白鴿慈善會) under the Xiamen Civil Affairs Bureau on October 21, 2022. The charity is dedicated to advance charitable causes, such as poverty alleviation, volunteer services, public welfare and fostering positive social energy. A recent charitable program is a medical assistance program we launched in October 2024, where we targeted on immediate family members of patients who, after major surgery at a tertiary public medical institution, face medical expenses exceeding their expectations due to no-fault medical harm, and medical institutions that are owed medical fees after successfully treating patients. As of the Latest Practicable Date, we have successfully provided RMB50,000 in aid to nine eligible patients, respectively, significantly alleviating the financial pressure on their families. In March 2023, in collaboration with a national moral model, we jointly launched the “Care for the Disabled” project. This initiative has successfully provided charitable wheelchairs to 18 individuals with disabilities, with a total donation amounting to RMB46,700. Our goal is to build a bridge connecting patients, families, medical institutions and society to create a more harmonious and secure medical environment through this program.

### **Governance on ESG Matters**

To carry out appropriate ESG governance policies, we are in the process of optimizing our corporate structure for the scrutiny of ESG matters. We plan to adopt a comprehensive ESG policy and establish an ESG committee within one year of the [REDACTED] to assist the Board to oversee and implement our ESG initiatives. In addition, we intend to set up an ESG task force, which would be responsible for the formulation, implementation and evaluation of our ESG initiatives and report to our ESG committee regularly. Our Board, as the highest decision-making body, is responsible for formulating ESG governance policies and measures, overseeing the effective operation of the ESG governance structure, and comprehensively evaluating the ESG-related practices work on an annual basis to ensure compliance with the relevant laws and regulations and proactive fulfillment of corporate social responsibilities and sustainable development. Our Board, together with the ESG committee, will continue to monitor and review our ESG-related policies regularly to ensure the implementation of such policies remains cost-effective and efficient.

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### DATA PRIVACY AND DATA SECURITY

The protection of privacy and data security is one of our highest priorities. Our services involve collection, storage, usage, processing and analysis of data provided by our partners and end insureds. We have designed strict data security policies and procedures to ensure that the collection, storage, usage, processing and analysis of data are in compliance with all applicable laws and regulations, optimize data governance and protect the benefits of our customers, employees and other third parties. Our policy includes data management, operational and maintenance procedures and business system access controls. Set forth below are the summary of our related policies and procedures:

#### Data collection and storage

During the ordinary course of our business, we mainly collect and store various types of personal information on our online platforms to facilitate the provision of our services in accordance with the applicable laws and regulations. We collect and process personal information for different purposes, including but not limited to:

- mobile phone numbers and other online platform account information for general user registration purposes;
- the name, identity document, date of birth, gender, address, marital status, education and occupation information, health and physiological information, income information of relevant individuals and other information in accordance with the requirements of specific insurance products and relevant laws and regulations for insurance application purposes; and
- the name, bank account, education and employment experience, identity document and personal photo and other necessary information for engaging individual insurance brokers.

In accordance with applicable PRC laws and regulations, we provide the aforesaid individuals with prior notice as to what personal information are being collected and undertake to manage and use such personal information as collected only for purpose of our products and services to the minimum necessary extent. We obtain necessary consent or rely on other lawful basis for our processing activities. In addition, we retain relevant personal information only within the period necessary to fulfill our business purposes or to comply with the mandatory retention period as required by relevant laws and regulations. We store all of our data in the PRC in accordance with applicable PRC laws and regulations and there is no cross-border transfer of data as collected and generated by us during the course of business. To prevent any unauthorized access to or illegitimate use of data, we require our employees to submit access request for approval on a need-to-know basis and maintain records of such employees.

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### Data usage and processing

We only use the personal information for the stated purpose as authorized or for the performance of the contract or as required or permitted by relevant laws and regulations, for example to provide insurance claims assistance service for insurance clients and as otherwise required by applicable laws and regulations.

### Data security protection measures

Our core insurance business system has obtained a Level III Filing Certification of Information System Security Protection. To reinforce data protection, we deploy different encryption methods for data storage and transmission. Data collected in the course of our business is stored on our database secured by firewall. We also employ a variety of technical solutions to minimize and detect risks and vulnerabilities in our network, infrastructure and database, we implement security measures such as firewalls, and regularly conducting malicious code scans and patch upgrades. We have established a mechanism for controlling access to personal information and a specialized committee, the data security management team, to carry out internal information security compliance within the company.

To mitigate the risks of misusing of data, we provide data security and protection training to our employees on a regular basis to ensure that our employees are well aware of the measures we adopt for data security and the significance of them. We also maintain contingency plans and conduct regular data backup to enhance the resilience, reliability and stability of our systems. We classify the data security incident based on its seriousness, and our employees are required to report any data security, monitor the implementation of any rectification measures and any follow up measures to be taken by the responsible department or team to prevent recurrences of similar incidents.

During the Track Record Period, we did not experience any material data leakage or loss of data, and we were not subject to any administrative investigation, or administrative penalties in relation to network security, data protection or other similar incidents. We believe that we had complied with the applicable laws and regulations on the collection, storage, usage and disclosure of data in all material aspects during the Track Record Period and up to the Latest Practicable Date.

## INSURANCE

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practices in our industry. Furthermore, we (i) maintain social security insurance including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees as required by applicable PRC laws and regulations, (ii) employer liability insurance, (iii) professional liability insurance, and (iv) guarantee deposits as required by the Provisions on the Regulation of Insurance Brokers (保險經紀人監管規定) published by the NFRA. During the Track Record Period and up to the

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Latest Practicable Date, we had not made nor had been the subject of any material insurance claims. We believe that our insurance coverage is consistent with that of other similar types of companies in the PRC. However, our insurance policies and deposits may not be able to cover all of our losses, and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies and deposits. For details, see “Risk Factors — Risk Relating to Our Business and Industry — Our insurance coverage may not be sufficient to protect us from significant costs and business disruption” in this document.

### LEGAL AND REGULATORY PROCEEDINGS AND COMPLIANCE

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, there was no material claims, disputes, litigations, arbitrations or other legal proceedings against our Group or any of our Directors we believe would have material adverse effect on our business, results of operations or financial condition. During the same period, we had not been involved in any non-compliance incidents that would, individually or in the aggregate, have a material adverse effect on our business as a whole.

We are subject to inspections and supervision by various PRC regulatory authorities and their respective local branches and offices. Based on the results of these inspections and examinations, the regulatory authorities may issue inspection reports demanding timely rectification of the issues identified, or, taking into account the nature and severity of the non-compliance incidents, impose administrative penalties on us. During the Track Record Period and up to the Latest Practicable Date, the CBIRC, the NFRA and their local branches imposed four administrative penalties, with aggregated penalties of approximately RMB1.05 million, including mistakes in accounting classification, failure to maintain business files properly, failure to present customer notice promptly and failure to disclose the change of business premises timely.

We are committed to maintaining the highest standards of compliance with the laws and regulations applicable to our business. In view of the issues involved in the aforementioned administrative penalties, we have carried out specialized training to prevent the future occurrence of relevant issues. We have organized and carried out risk investigation, documented various potential risks, and hired professional internal control consultants to evaluate and enhance the risk management and internal control systems. The internal control consultants have performed analyses of our main business processes and the entity level control to identify weaknesses in our internal control. Having identified the status of and problems existing in our internal control, we are implementing rectification plans through our risk management department to address and correct deficiencies that were identified. We will also continue to carry out internal policies review to ensure our internal policies meet the changes of laws and regulations, and the needs of the company’s development. We will further strengthen the legal and compliance review of insurance clause to ensure the legitimacy and compliance of various products. We will also conduct relevant training on a regular basis, such as compliance training and violation warning education, to strengthen our compliance culture and raise compliance awareness among our employees.

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## BUSINESS

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As confirmed by our PRC Legal Advisor, the above non-compliance with the laws or regulations will not have a material adverse effect on our financial condition and results of operations. During the Track Record Period and up to the Latest Practicable Date, our business operations in the PRC had complied, in all material respects, with all relevant laws and regulations in the PRC, and no material administrative penalties imposed on us have been found that may have a material adverse effect on our Group’s business operations. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. For risks and uncertainties relating thereto, see “Risk Factors — Risk Relating to our Business and Industry — We may be involved in legal proceedings and other proceedings arising from our operations and may be subject to material liabilities or incur additional costs, and the regulatory measures and legal procedures against us may have a material adverse effect on our business, financial condition, results of operations and prospects” in this document.

## PROPERTIES

### Leased properties

As of the Latest Practicable Date, we had leased 13 properties with an aggregate gross floor area of 3,488.52 sq.m. in Xiamen, Shanghai, Beijing, Shijiazhuang, Shenzhen, Chongqing, Guiyang, Nanchang, Kunming, Wuhan and Changchun, which were used as offices. Among such leased properties, four of our leased properties are inconsistent with the permitted usage. We currently use these leased properties as office premises while their permitted usage under the relevant title certificates include warehousing, residential and service apartments. As of the Latest Practicable Date, we had not received any challenge to our right to occupy and use the properties upon it. Our Directors are of the view that, if the inconsistency with permitted land use prevents us from continuing the lease so that we are required to move to another location, we can relocate to other comparable alternative premises in the relevant regions without any material adverse effect on our business and financial condition.

Pursuant to the applicable PRC laws and regulations, lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, we did not register all of our leased properties. As the registration of a lease agreement requires the cooperation between the lessor and lessee, and lessors are typically unwilling to undertake the administrative burden due to the low risk of penalty, we were not able to complete the registration of lease agreements mentioned above. We have adopted internal policies that (i) request our employees to proactively coordinate with lessors to complete the registration for all of our lease agreements and (ii) require our employees to complete the registration of lease agreements in instances in which lessors are willing to cooperate in such procedures. Our PRC Legal Advisor has advised us that the lack of registration of the lease agreements will not affect their validities under the PRC laws and have also advised us that a maximum penalty of RMB10,000 for non-registration may be imposed for each lease. During the Track Record Period and up to the Latest Practicable Date, we had not been ordered by any authorities to register any of the lease agreements. In relation to the leased properties described above, our Directors confirm that no significant time or costs is expected to be required to identify or relocate our operations to comparable alternative properties, given the availability of comparable alternative properties in the market. Our Directors further confirm that should relocation be required, such relocation will not materially affect the operation and financial conditions of our Group.

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## BUSINESS

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As of the Latest Practicable Date, we did not have any single property carrying an amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provision) Notice, this document is exempted from the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance to include any interest in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

### INTELLECTUAL PROPERTY RIGHTS

We regard our copyrights, trademarks, patents and other intellectual property rights as critical to our business operations. We rely on a combination of copyrights, patents, trademarks, domain name and contractual rights, such as confidentiality agreement, to safeguard our intellectual property rights. Throughout the Track Record Period, our employment agreements with our employees incorporated confidentiality clause which cover any confidential information obtained during the course of employment.

As of the Latest Practicable Date, we had 135 registered copyrights, six patents, 29 trademarks and 33 domain names. For further details of the intellectual property rights that are material to our business operations, please refer to the paragraph headed “Statutory and General Information — B. Further Information about our Business — 2. Intellectual property rights” set out in Appendix IV to this document.

Our Directors are of the view that there are no legal barriers to renewing the abovementioned intellectual properties in the PRC upon their expiry. As confirmed by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any intellectual property infringement disputes and claims which had any material adverse impact on our business as a whole.

### RISK MANAGEMENT AND INTERNAL CONTROL

We have established, and maintained, risk management and internal control systems consisting of policies and procedures which we consider appropriate for our business operations. We are dedicated to continually improving these systems. We adopted and implemented comprehensive risk management policies in various aspects of our business operations, such as information security and data privacy, financial reporting, compliance, internal control and human resources. Our Board is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional departments.



## **BUSINESS**

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### **Compliance Risk Management**

To ensure that our business operations are in full compliance with the relevant laws and regulations, and to manage legal risks effectively, we have implemented rigorous internal procedures. These procedures are designed to safeguard our compliance to applicable rules and also to protect our intellectual property rights. As part of these procedures, our in-house risk management center plays a crucial role by reviewing and updating the standard contracts we use with customers, suppliers and partners.

Our risk management center meticulously examines the contractual terms and conducts a comprehensive review of all pertinent documents associated with our business activities.

We continuously amend our internal policies and procedures to adapt to the changes in laws, regulations and industry standards, and update internal templates for legal documents. Our legal and compliance team is responsible for regular updates, ensuring that we stay informed about relevant changes and maintain compliance with all applicable requirements.

We have implemented an employee code of conduct that outlines internal rules and guidelines regarding work practices, ethics, confidentiality, negligence, anti-bribery, and anti-corruption. Regular training sessions are conducted to ensure all employees understand these standards. Additionally, we have established an accountability mechanism to address any violations of laws, regulations, or our policies. We continually assess the effectiveness of our risk management policies and measures to ensure compliance across our Group and for all personnel.

### **Financial Reporting Risk Management**

We have a set of policies in connection with our financial reporting risk management, such as financial closing policy, financial management policy and budget management policy. We also have procedures in place to implement such policies, which our financial department follows when reviewing our management accounts. In addition, we provide regular training to our financial department staff to ensure that they understand our accounting policies and procedures.

### **Human Resources Risk Management**

We have set up comprehensive internal control and risk management protocols that address a wide range of human resource management areas, including hiring, professional development, workplace conduct and legal compliance. Our recruitment process is characterized by stringent criteria and meticulous procedures to guarantee the caliber of our new recruits. We offer specialized training programs that are customized to meet the specific needs of our staff across various departments and perform routine performance evaluations for our staff.

## BUSINESS

We have established an Anti-Corruption Policy to ensure the integrity of our company and to prevent corrupt practices from occurring. This policy provides guidance on corruption conducts and details the anti-corruption measures. We have created a whistleblowing system for employees to confidentially report any acts of corruption, directed towards our internal audit team and the Audit Committee. Our internal audit team is tasked with the responsibility of investigation and take suitable actions in response to any findings.

### Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations. Our internal procedures include procedures on risk identification, regular reviews for the effectiveness and adequacy of risk procedures and policies. To ensure the effectiveness of our internal control, our internal control department works closely with our operational departments, including legal and compliance, finance and procurement department.

### AWARDS AND RECOGNITIONS

The table below sets forth an indicative list of some of the awards and recognition we had received as of the Latest Practicable Date.

Award/Recognition	Year	Awarding body
Governing Unit of the Finance and Insurance Special Committee of East China Jiangsu Big Data Exchange (華東江蘇大數據交易中心金融保險專委會理事單位) . . . . .	November 2024	East China Jiangsu Big Data Trading Center (華東江蘇大數據交易中心)
Xiamen Municipal Enterprise Technology Center (廈門市級企業技術中心) . . . . .	June 2024	Xiamen Municipal Bureau of Industry and Information Technology (廈門市工業和信息化局)
Fujian Province Unicorn Enterprise (福建省獨角獸企業) . . . . .	June 2024	Fujian Provincial Data Administration Bureau (福建省數據管理局)
Global Financial Technology Top 10 Enterprises” at the 3rd Global Fintech Venture Competition (第三屆全球金融科技創業大賽“金融科技10強企業”) . . . . .	December 2023	Beijing Fintech Institute (北京金融科技研究院) and Beijing Qingfen Institute for Neo Financial Research (北京清芬新金融研究院)
The “Most Innovative Award” at the 3rd Global Fintech Application Scenario Competition (第三屆全球金融科技應用場景大賽“最具創新力獎”) . . . . .	November 2023	Zhongguancun Xicheng Park Management Committee (中關村西城園區管委會), Beijing Fintech Institute (北京金融科技研究院), Beijing Qingfen Institute for Neo Financial Research (北京清芬新金融研究院)

## BUSINESS

Award/Recognition	Year	Awarding body
Xiamen “Specialized, Refinement, Differential and Innovation” Enterprise (廈門市「專精特新」企業) . . . . .	April 19, 2023	Ministry of Industry and Information Technology of Xiamen (廈門市工業和信息化局)
National High and New Technology Enterprise (國家級高新技術企業) . . . . .	December 14, 2022	Science Technology Department of Shanghai (上海市科學技術局), Shanghai Department of Finance (上海市財政局), National Taxation Administration Shanghai Tax Service (國家稅務總局上海市稅局)
Membership of Xiamen Software Industry Association (廈門市軟件行業協會會員) . . . . .	October 24, 2022	Xiamen Software Industry Association (廈門市軟件行業協會)
Top 100 Innovative Private Enterprises in Fujian Province (福建省創新型民營企業100強) . . . . .	September, 2022	Fujian Provincial Federation of Industry and Commerce (福建省工商業聯合會)
Fujian Technology ‘Little Giant’ Enterprise (福建科技「小巨人」企業) . . . . .	June 2022	Fujian Provincial Department of Social and Technology (福建省科學技術廳)
China Fintech Top 50 Companies (中國金融50強企業) . . . . .	December 2021	KPMG
China Fintech Top 50 Enterprises” (中國FinTech TOP 50企業) . . . . .	December 2021	iResearch
The Third Prize at the Second Xiamen Municipal Fintech Excellent Project Competition (第二屆廈門市金融科技優秀項目三等獎) . . . . .	November 2021	Xiamen Branch of PBOC, Xiamen Local Financial Supervisory Bureau, Xiamen Supervisory Bureau of CBIRC, Xiamen Supervisory Bureau of CSRC, Xiamen Supervisory Bureau of the Ministry of Finance
Membership of Xiamen Hi-Tech Development Association (廈門市高新技術發展協會會員) . . . . .	December 2019	Xiamen Hi-Tech Development Association (廈門市高新技術發展協會)
National High and New Technology Enterprise (國家級高新技術企業) . . . . .	November 21, 2019	Science Technology Department of Xiamen (廈門市科學技術局), Xiamen Department of Finance (廈門市財政局), Xiamen Tax Service, National Taxation Administration (國家稅務總局廈門市稅局)
China Top 30 InsurTech Innovation Enterprises (中國保險科技創新企業30強) . . . . .	October 2019	Beijing ifenxi Technology Co., Ltd. (北京愛分析科技有限公司)

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Tu, an executive Director, the chairman of our Board and the chief executive officer of our Company, was interested in and entitled to exercise approximately 55.58% of the voting rights in our Company comprising approximately 45.13% through Fujian Helihomei and approximately 10.45% through Baige Tongchuang.

As of the Latest Practicable Date, Fujian Helihomei was directly owned as to approximately 58.90%, 20.55% and 20.55% by Mr. Tu, Xiamen Zhongjiaxiu and Mr. Zeng, respectively. Xiamen Zhongjiaxiu is a limited partnership established under the laws of the PRC and, as of the Latest Practicable Date, was held as to 80% by Mr. Su Weida (蘇偉達) (“**Mr. Su**”) as the general partner and executive partner, and 20% by Mr. Huang Jia’en (黃嘉恩) (“**Mr. Huang**”) as the limited partner. For the background and biographical details of Mr. Tu and Mr. Zeng, see “Directors, Supervisors and Senior Management” in this document.

Baige Tongchuang is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, Baige Tongchuang was held as to 99.9% by Fujian Helihomei and 0.1% by Mr. Tu, with Mr. Tu as its executive partner.

To formalize the concert parties relationship, on November 9, 2023, Mr. Tu, Mr. Zeng, Xiamen Zhongjiaxiu, Mr. Su, Mr. Huang, Baige Tongchuang and Fujian Helihomei (collectively, the “**Concert Parties**”) entered into the Acting-in-Concert Agreement, pursuant to which (a) Mr. Zeng and Xiamen Zhongjiaxiu agree that they would act in concert with Mr. Tu and vote in accordance with Mr. Tu’s direction at the shareholders’ meetings of Fujian Helihomei; (b) Mr. Su and Mr. Huang agree that they would jointly exercise their partnership rights and procure Xiamen Zhongjiaxiu to act in concert with Mr. Tu and Mr. Tu’s representative director at the shareholders’ meetings of Fujian Helihomei; (c) the Concert Parties agree that before Fujian Helihomei participates in decision-making concerning the affairs of Baige Tongchuang as a partner, they would discuss and reach a consensus, after which Mr. Tu and Fujian Helihomei will jointly exercise the partners’ rights; (d) the Concert Parties agree that before Fujian Helihomei and Baige Tongchuang participate in decision-making concerning the affairs of our Company as Shareholders, they would discuss and reach a consensus, after which Mr. Tu will represent Fujian Helihomei and Baige Tongchuang to exercise their rights as Shareholders accordingly; and (e) in relation to the above arrangements, where the Concert Parties are unable to reach a consensus, the view of Mr. Tu shall prevail. As advised by our PRC Legal Advisor, as we are a PRC incorporated-company, Mr. Tu is considered as our ultimate controller.

Accordingly, Mr. Tu, Mr. Zeng, Mr. Su, Mr. Huang, Xiamen Zhongjiaxiu, Fujian Helihomei and Baige Tongchuang were collectively entitled to exercise voting rights of approximately 55.58% in our Company as at the Latest Practicable Date, and therefore are considered as a group of controlling shareholders of our Company before the [REDACTED].

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Tu, Mr. Zeng, Mr. Su, Mr. Huang, Xiamen Zhongjiaxiu, Fujian Helihomei and Baige Tongchuang will be collectively entitled to exercise voting rights of approximately [REDACTED]% of the total issued shares of our Company, and hence will remain as a group of controlling shareholders of our Company.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from the Controlling Shareholders and their close associates after the [REDACTED], taking into account the factors below.

#### Management Independence

We are able to carry on our business independently from the Controlling Shareholders from a management perspective. Our Board consists of eight Directors, including two executive Directors, three non-executive Directors and three independent non-executive Directors:

- (a) each Director is aware of his/her fiduciary duties as a director which require, amongst other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, please refer to the section headed “Directors, Supervisors and Senior Management” in this Document;
- (c) we have three independent non-executive Directors who have sufficient knowledge, experience and competence with a view to bring independent judgment to the decision-making process of our Board and provide independent advice to the Board committees. Also, certain matters of our Company must always be referred to the independent non-executive Directors for review;
- (d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management. For details, see “— Corporate Governance” in this section.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from the Controlling Shareholders and their close associates after the [REDACTED].

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### Operational Independence

We do not rely on the Controlling Shareholders and their close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Controlling Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources. We have also established a set of internal control procedures and measures to the effective management of our business.

We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

We have not entered into any continuing connected transactions with our Controlling Shareholders or their respective close associates.

Based on the above, our Directors believe that we are able to operate independently from the Controlling Shareholders and their close associates.

### Financial Independence

We have an independent financial system and make financial decisions according to our Group's own business needs. We have internal control and accounting systems and an independent finance department for discharging the treasury function. We do not expect to rely on the Controlling Shareholders and their close associates for financing after the [REDACTED] as we expect that our working capital will be funded by cash flows generated from operating activities, bank loans as well as the [REDACTED] from the [REDACTED].

There are no outstanding loans or guarantees provided by, or granted to, our Controlling Shareholders or their respective associates during the Track Record Period and up to the [REDACTED]. Our Directors believe that we are capable of obtaining financing from external sources without reliance on our Controlling Shareholders.

Based on the above, our Directors are of the view that our Directors and senior management are capable of carrying on our business independently of, and are able to maintain financial independence from, our Controlling Shareholders after the [REDACTED].

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### INTEREST OF THE CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Our Controlling Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

### CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the “Corporate Governance Code”), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and the Controlling Shareholders:

- (i) our Directors shall comply with the Articles of Association which require our interested Director(s) not to vote (nor be counted in the quorum) on any resolutions of our Board approving any contracts or arrangements or other proposals in which he/she or any of his/her close associates is materially interested;
- (ii) any Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself/herself from the board meetings on matters in which such Director or any of his/her close associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;
- (iii) our Company will use our best endeavours to ensure that our Board includes a balanced composition of executive, non-executive and independent non-executive Directors. We have appointed three independent non-executive Directors whom we believe possess sufficient experience and are not involved in any business or other relationship which could interfere in any material manner with the exercise of their independent judgment. For details of our independent non-executive Directors, please refer to the section headed “Directors, Supervisors and Senior Management — Board of Directors” in this document;
- (iv) our Company has appointed CMBC International Capital Limited as the compliance advisor who shall provide us with professional advice and guidance, in respect of compliance with the Listing Rules and applicable laws;

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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- (v) any transaction (if any) between (or proposed to be entered into between) our Group and our connected persons will be required to comply with the relevant provisions under Chapter 14A of the Listing Rules including, where applicable, the announcement, reporting, annual review and independent Shareholders' approval requirements and with those conditions imposed by the Hong Kong Stock Exchange for the granting of waiver from strict compliance with the relevant requirements under the Listing Rules;
- (vi) our independent non-executive Directors will review, on an annual basis, whether there is any conflict of interest between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders; and
- (vii) our Directors may reasonably request the advice of independent professionals, such as financial advisors, the engagement of which will be made at our Company's expenses.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders and our Group, and to protect the interests of our Shareholders, in particular, the minority Shareholders.



## SUBSTANTIAL SHAREHOLDERS

### SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and assuming that the [REDACTED] is not exercised, the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed pursuant to the provisions of Division 2 and 3 of Part XV of the SFO:

Name of Shareholder	Nature of Interest	As of the Latest Practicable Date			Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)		
		Class of Shares	Number of Shares <sup>(1)</sup>	Approximate percentage of shareholding in total issued share capital of our Company	Class of Shares	Number of Shares <sup>(1)(2)</sup>	Approximate percentage of shareholding in the total share capital of our Company <sup>(3)</sup>
Mr. Tu <sup>(4)</sup> . . . .	Interest of concert parties	[REDACTED] Shares	32,409,700	45.13%	[REDACTED] Shares	[REDACTED]	[REDACTED]%
	Interest in controlled corporation	[REDACTED] Shares	7,505,574	10.45%	[REDACTED] Shares	[REDACTED]	[REDACTED]%
	Beneficial interest	[REDACTED] Shares	95,248	0.13%	H Shares	[REDACTED]	[REDACTED]%
Mr. Zeng <sup>(4)</sup> . . . .	Interest of concert parties	[REDACTED] Shares	40,010,522	55.71%	[REDACTED] Shares	[REDACTED]	[REDACTED]%
Mr. Su Weida (蘇偉達) <sup>(4)</sup> . . . .	Interest of concert parties	[REDACTED] Shares	40,010,522	55.71%	[REDACTED] Shares	[REDACTED]	[REDACTED]%
Mr. Huang Jia'en (黃嘉恩) <sup>(4)</sup> . . . . .	Interest of concert parties	[REDACTED] Shares	40,010,522	55.71%	[REDACTED] Shares	[REDACTED]	[REDACTED]%
Xiamen Zhongjiaxiu <sup>(4)</sup> . . . . .	Interest of concert parties	[REDACTED] Shares	40,010,522	55.71%	[REDACTED] Shares	[REDACTED]	[REDACTED]%
Fujian Helihemei <sup>(4)</sup> . . . . .	Interest of concert parties	[REDACTED] Shares	7,600,822	10.58%	[REDACTED] Shares	[REDACTED]	[REDACTED]%
	Beneficial interest	[REDACTED] Shares	32,409,700	45.13%	[REDACTED] Shares	[REDACTED]	[REDACTED]%
Baige Tongchuang <sup>(4)</sup> . . . . .	Interest of concert parties	[REDACTED] Shares	32,504,948	45.26%	[REDACTED] Shares	[REDACTED]	[REDACTED]%
	Beneficial interest	[REDACTED] Shares	7,505,574	10.45%	[REDACTED] Shares	[REDACTED]	[REDACTED]%
					H Shares	[REDACTED]	[REDACTED]%

## SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of Interest	As of the Latest Practicable Date			Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)		
		Class of Shares	Number of Shares <sup>(1)</sup>	Approximate percentage of shareholding in total issued share capital of our Company	Class of Shares	Number of Shares <sup>(1)(2)</sup>	Approximate percentage of shareholding in the total share capital of our Company <sup>(3)</sup>
New Hope Investment Group Co., Ltd. (新希望投資集團有限公司) <sup>(5)</sup> (“New Hope Investment”) .	Beneficial interest	[REDACTED] Shares	9,963,500	13.87%	H Shares	[REDACTED]	[REDACTED]%
New Hope Holding Group Co., Ltd. (新希望控股集團有限公司) <sup>(5)</sup> (“New Hope Holding”) . . .	Interest in controlled corporation	[REDACTED] Shares	9,963,500	13.87%	H Shares	[REDACTED]	[REDACTED]%
Mr. Liu Yonghao <sup>(5)</sup> (劉永好) . . .	Interest in controlled corporation	[REDACTED] Shares	9,963,500	13.87%	H Shares	[REDACTED]	[REDACTED]%
Gerui (Xiamen) Enterprise Management Co., Ltd. (格納(廈門)企業管理有限公司) (“Gerui Xiamen”) <sup>(6)</sup> .	Beneficial interest	[REDACTED] Shares	6,659,500	9.27%	[REDACTED] Shares H Shares	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]%
Mr. Zeng Siping (曾思平) <sup>(6)</sup> . . .	Interest in controlled corporation	[REDACTED] Shares	6,659,500	9.27%	[REDACTED] Shares H Shares	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]%
Xiamen Fuguohao Financial Management Co., Ltd. (廈門富國豪財務管理有限公司) (“Xiamen Fuguohao”) <sup>(7)</sup> .	Beneficial interest	[REDACTED] Shares	5,327,600	7.42%	[REDACTED] Shares H Shares	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]%
Mr. Zeng Huanhui (曾煥輝) <sup>(7)</sup> . . .	Interest in controlled corporation	[REDACTED] Shares	5,327,600	7.42%	[REDACTED] Shares H Shares	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]%

## SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of Interest	As of the Latest Practicable Date			Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)		
		Class of Shares	Number of Shares <sup>(1)</sup>	Approximate percentage of shareholding in total issued share capital of our Company	Class of Shares	Number of Shares <sup>(1)(2)</sup>	Approximate percentage of shareholding in the total share capital of our Company <sup>(3)</sup>
Mr. Wang Qianwei (王前偉) <sup>(8)</sup>	Interest in controlled corporation	[REDACTED] Shares	2,663,200	3.71%	H Shares	[REDACTED]	[REDACTED]%

- (1) All interests stated are long positions.
- (2) The number of Shares is presented based on the assumption that the Share Subdivision is completed.
- (3) The calculation is based on the total number of [REDACTED] Shares in issue, [REDACTED] H Shares to be converted from [REDACTED] Shares in issue and [REDACTED] H Shares to be issued pursuant to the [REDACTED] (assuming that the [REDACTED] is not exercised).
- (4) Fujian Helihomei is owned as to approximately 58.90% by Mr. Tu, 20.55% by Xiamen Zhongjiaxiu (which is in turn owned as to 80% by Mr. Su Weida (蘇偉達) and 20% by Mr. Huang Jia'en (黃嘉恩)) and 20.55% by Mr. Zeng. Baige Tongchuang is held as to 99.9% by Fujian Helihomei and 0.1% by Mr. Tu with Mr. Tu as its executive partner. As Mr. Tu, Xiamen Zhongjiaxiu, Mr. Su Weida, Mr. Huang Jia'en, Mr. Zeng and Baige Tongchuang have been acting in concert since November 9, 2023, upon completion of the Share Subdivision, the Conversion of [REDACTED] Shares into H Shares and the [REDACTED], each of Mr. Tu, Xiamen Zhongjiaxiu, Mr. Su Weida, Mr. Huang Jia'en, Mr. Zeng and Baige Tongchuang is deemed to be interested in a total of [REDACTED] Shares and [REDACTED] H Shares comprising (a) [REDACTED] Shares held by Fujian Helihomei; (b) [REDACTED] Shares and [REDACTED] H Shares held by Baige Tongchuang; and (c) [REDACTED] H Shares (converted from [REDACTED] Shares upon completion of the Share Subdivision) granted to Mr. Tu pursuant to the Equity Incentive Scheme by virtue of the SFO.
- (5) The entire equity capital of New Hope Investment is directly held by New Hope Holding. The entire equity capital of New Hope Holding is indirectly wholly owned by Mr. Liu Yonghao (劉永好). Accordingly, New Hope Holding and Mr. Liu Yonghao (劉永好) are deemed to be interested in such Shares held by New Hope Investment for the purpose of the SFO.
- (6) Gerui Xiamen is held as to 99% by Mr. Zeng Siping (曾思平) and 1% by Ms. Ye Shuangni (葉雙妮), each being an Independent Third Party. Accordingly, Mr. Zeng Siping is deemed to be interested in such Shares held by Gerui Xiamen for the purpose of the SFO.
- (7) Xiamen Fuguohao is held as to 86.9% by Mr. Zeng Huanhui (曾煥輝) and 13.1% by Mr. Huang Hongyu (黃宏昱), both being Independent Third Parties. Accordingly, Mr. Zeng Huanhui is deemed to be interested in such Shares held by Xiamen Fuguohao for the purpose of the SFO.
- (8) Mr. Wang Qianwei (王前偉), one of our non-executive Directors, wholly owns Xiamen Huicheng, one of our Pre-[REDACTED] Investors, which held 2,663,200 Shares as of the Latest Practicable Date. For details, please refer to “History — Pre-[REDACTED] Investments” in this document.

Save as disclosed herein, our Directors are not aware of any other persons who will, immediately following completion of the [REDACTED], have an interest or short position in the Shares or underlying Shares of our Company (assuming that the [REDACTED] is not exercised), which would be required to be disclosed to our Company and the Hong Kong Stock Exchange (as the case may be) under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any

## **SUBSTANTIAL SHAREHOLDERS**

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class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group. Our Company is not aware of any arrangement which may result in any change of control in our Company at any subsequent date.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### BOARD OF DIRECTORS

Our Board of Directors comprises eight Directors, including two executive Directors, three non-executive directors, and three independent non-executive Directors.

The following table sets out information regarding the Directors.

Name	Age	Time of joining our Group	Date of appointment as a Director	Position(s) for current tenure	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
<b>Executive Directors</b>						
Mr. Tu Jinbo (涂锦波) . . .	48	April 17, 2015	April 17, 2015	Founder, chairman of the Board, executive Director and chief executive officer	Overall strategic planning, business direction and operational management of our Group	None
Mr. Shi Wenzheng (施文铮) . . .	44	January 1, 2018	July 22, 2024	Executive Director, executive vice president, risk control director, and general manager of institutional management division	Overall risk management, technology research and development and branch development of our Group	None
<b>Non-executive Directors</b>						
Mr. Zeng Jianhua (曾建華) . . . .	52	December 17, 2017	December 17, 2017	Non-executive Director	Providing professional opinion and judgment to our Board	None
Mr. Zheng Yu (鄭煜) . . . . .	46	July 21, 2021	July 21, 2021	Non-executive Director	Providing professional opinion and judgment to our Board	None

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Time of joining our Group	Date of appointment as a Director	Position(s) for current tenure	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
Mr. Wang Qianwei (王前偉) . . . .	40	July 11, 2018	July 11, 2018	Non-executive Director	Providing professional opinion and judgment to our Board	None
<b>Independent Non-executive Directors</b>						
Dr. Zhao Zhengtang (趙正堂) . . . .	46	[REDACTED]	Appointment approved by the Shareholders on [●] (with effect from the [REDACTED])	Independent non-executive Director	Exercising independent judgment on our Group’s strategy, performance and standard of conduct	None
Ms. Chan Tak Yi (陳德宜) . . . .	42	[REDACTED]	Appointment approved by the Shareholders on February 13, 2025 (with effect from the [REDACTED])	Independent non-executive Director	Exercising independent judgment on our Group’s strategy, performance and standard of conduct	None
Dr. Cao Liujuan (曹劉娟) . . . .	41	[REDACTED]	Appointment approved by the Shareholders on February 13, 2025 (with effect from the [REDACTED])	Independent non-executive Director	Exercising independent judgment on our Group’s strategy, performance and standard of conduct	None

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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### Executive Directors

**Mr. Tu Jinbo** (涂錦波), aged 48, is our founder, the chairman of the Board, an executive Director and the chief executive officer of our Company. Mr. Tu was appointed as our Director on April 17, 2015 and was re-designated as our executive Director on February 13, 2025. He is primarily responsible for the overall strategic planning, business direction and operational management of our Group. Mr. Tu has over 24 years of experience in the insurance industry and company management.

From February 2002 to June 2004, Mr. Tu worked at Ping An Life Insurance Company of China, Ltd. Xiamen Branch (中國平安人壽廈門分公司). From July 2004 to February 2024, Mr. Tu has been consecutively serving as the director and the supervisor of Xiamen Demei Investment Holding Co., Ltd. (廈門德美投資控股有限公司).

Mr. Tu has also been appointed to different social positions and engagements for more than 14 years. For instance, Mr. Tu is the president of the Xiamen Science and Technology Promotion Association (廈門市科技經濟促進會) since November 2014 to present. He was also appointed as the representative of public opinion of Siming County of Xiamen Municipality 2015 to 2018 (廈門市思明區2015-2018年民評代表). Mr. Tu was a member of the Xiamen Municipal Committee of the Chinese People’s Political Consultative Conference (中國人民政治協商會議廈門市委員會) (“CPPCC”) from January 2012 to January 2017 and was re-appointed as a member from December 2021 to present. Mr. Tu currently serves as a member of Xiamen Municipal Huli District Committee of the CPPCC since his appointment in December 2021. Mr. Tu has served as the chairman of the Xiamen Baige Charity Association (廈門市白鵠慈善會) since its establishment in 2022. Since December 2024 and January 2025, Mr. Tu has been appointed as an investment consultant (招商顧問) by the Xiamen Municipal People’s Government and the Quanzhou Municipal People’s Government, respectively.

Mr. Tu was named the (i) top 10 philanthropic figures of Fujian merchants in Fujian province 2016 (2016年福建省閩商十大公益人物); (ii) top 10 innovative figures in private economy in Fujian province 2017 (2017年福建省民營經濟十大創新人物); (iii) Chinese brand integrity figures 2018 (2018年中國品牌誠信人物); (iv) China Financial Summit new economy person of the year 2018 (2018年中國財經峰會新經濟年度人物); and (v) China Financial Summit new era business leaders 2019 (2019年中國財經峰會新時代商業領袖). Mr. Tu was also identified as a Fujian Province High-level Talent (A Class) (福建省高層次人才(A類)) in December 2023 and a Xiamen Municipal High-level Talent (A Class) (廈門高層次人才(A級)) in 2024.

Mr. Tu obtained his bachelor’s degree in arts from Xiamen University (廈門大學) in July 2000 in the PRC. Mr. Tu achieved his executive master’s degree in business administration from City University of Hong Kong in July 2021 in Hong Kong.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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**Mr. Shi Wenzheng (施文鏘)**, aged 44, is an executive Director, executive vice president, risk control director and the general manager of institutional management division of our Company. Mr. Shi joined our Company on January 1, 2018 and was appointed as our Director on July 22, 2024 and re-designated as our executive Director on February 13, 2025. He is primarily responsible for the overall risk management, technology research and development and branch development of the Group. Mr. Shi has over 21 years of experience in the insurance industry and company management.

Prior to joining our Group, Mr. Shi worked at Ping An Property & Casualty Insurance Company of China, Ltd. Xiamen Branch (中國平安財產保險股份有限公司廈門分公司) from August 2004 to June 2010 and Sunshine Property and Casualty Insurance Co., Ltd. Xiamen Branch (陽光財產保險股份有限公司廈門市分公司) from June 2010 to January 2015. Mr. Shi worked at Tianan Property Insurance Co., Ltd. of China Xiamen Branch (天安財產保險股份有限公司廈門分公司) from February 2015 to January 2018.

Mr. Shi received his bachelor’s degree in arts from Huaqiao University (華僑大學) in July 2003 in the PRC.

### Non-Executive Directors

**Mr. Zeng Jianhua (曾建華)**, aged 52, is a non-executive Director of our Company. Mr. Zeng joined our Company on December 17, 2017 and was appointed as our Director on the same date, and re-designated as our non-executive Director on February 13, 2025. He is primarily responsible for providing professional opinion and judgment to our Board.

Besides the positions in our Group, Mr. Zeng worked at Qiaode (Xiamen) Elevator Co., Ltd. (僑德(廈門)電梯有限公司) (formerly known as Xiamen Zhonglantong Elevator Co., Ltd. (廈門中蘭通電梯有限公司)) from June 2002 to March 2005. Mr. Zeng also founded Xiamen Weihe Technology Co., Ltd. (廈門偉合科技有限公司) in 2005, where he has served as the chairman since then.

Mr. Zeng has served as an executive vice president (常務副會長) of the Xiamen Association for the Promotion of Science and Technology Economy (廈門市科技經濟促進會) since December 2014. Mr. Zeng was appointed as the president of Xiamen Zhangzhou chamber of Commerce (廈門市漳州商會) since July 2021. He has served as a member of the Xiamen Municipal Committee of the CPPCC since January 2022.

Mr. Zeng completed the Advanced Study Class for Modern Enterprise CEOs (現代企業總裁高級研修班) organized by Tsinghua University School of Continuing Education (清華大學繼續教育學院) from October 2010 to October 2011 in the PRC and the 2020 Xiamen Private Economic Representatives Training Course (2020年廈門市民營經濟代表人士培訓班) organized by Harbin Institute of Technology (哈爾濱工業大學) in December 2020 in the PRC.



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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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**Mr. Zheng Yu (鄭煜)**, aged 46, is a non-executive Director of our Company. Mr. Zheng joined our Company on July 21, 2021 and was appointed as our Director on the same date, and re-designated as our non-executive Director on February 13, 2025. He is primarily responsible for providing professional opinion and judgment to our Board.

Besides the positions in our Group, Mr. Zheng worked at IDC Consulting (Beijing) Co., Ltd. (IDC諮詢(北京)有限公司) from February 2018 to October 2019. From October 2019 to September 2024, Mr. Zheng worked as the general manager of financial division at New Hope Group Co., Ltd. (新希望集團有限公司), a group primarily engaged in modern agriculture and food industry.

Mr. Zheng received his master’s degree in multimedia technology and virtual reality in November 2003 from Groep T Hogeschool Leuven in Belgium and received his executive master’s degree in business administration in December 2016 from Institut Européen d’Administration des Affaires in France.

**Mr. Wang Qianwei (王前偉)**, aged 40, is a non-executive Director of our Company. Mr. Wang joined our Company on July 11, 2018 and was appointed as our Director on the same date, and re-designated as our non-executive Director on February 13, 2025. He is primarily responsible for providing professional opinion and judgment to our Board. Mr. Wang has more than 15 years of investment experience.

Besides the positions in our Group, Mr. Wang worked at Xiabin Capital Co., Ltd. (廈信資本有限公司) from 2014 to 2016 and worked at Xiamen Xiabin Investment Group Co., Ltd. (廈門廈信投資集團有限公司) from 2010 to 2014. Mr. Wang currently serves as the chairman of the board of Xiamen Huicheng Lingyue Technology Co., Ltd. (廈門匯成領躍科技有限公司), a company primarily engaged in the technology industry, since April 2014. Mr. Wang is also a partner of Qicheng (Xiamen) Equity Investment Management Co., Ltd. (啟誠(廈門)股權投資管理有限公司) since April 2017.

Mr. Wang received his bachelor’s degree in business administration in July 2008 from the University of Hertfordshire in the United Kingdom and received his master’s degree in finance and management in July 2009 from University of Exeter in the United Kingdom.

### Independent Non-executive Directors

**Dr. Zhao Zhengtang (趙正堂)**, aged 46, [was approved] by the Shareholders to be appointed as our independent non-executive Director on [●], with effect from the [REDACTED].

Dr. Zhao has nearly 20 years of academic and practice experience in the area of insurance and finance. Dr. Zhao joined the School Economics of Xiamen University in August 2005 and currently serves as an associate professor of the Department of Finance of Xiamen University, where his research fields include insurance law, insurance economics and insurance actuary. Dr. Zhao has been serving as an independent non-executive director of Haixia Jinqiao Property Insurance Co., Ltd. (海峽金橋財產保險股份有限公司), a PRC-based insurance company, since July 2021.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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Dr. Zhao received his bachelor’s degree in economics (insurance major) and a master’s degree in finance from Hunan University (湖南大學) in the PRC in June 2000 and December 2002, respectively, and a PhD degree in economics (finance major) from Xiamen University (廈門大學) in the PRC in June 2005.

**Ms. Chan Tak Yi (陳德宜)**, aged 42, was approved by the Shareholders to be appointed as our independent non-executive Director on February 13, 2025, with effect from the [REDACTED]. She is primarily responsible for exercising independent judgment on our Group’s strategy, performance and standard of conduct.

Ms. Chan has approximately 19 years of experience in the legal and finance industry. She has been admitted as a member of the Hong Kong Institute of Certified Public Accountants since 2009 and a solicitor in the High Court of Hong Kong since 2011. From November 2005 to January 2009, Ms. Chan worked at Ernst & Young with her last position as senior accountant in the Assurance and Advisory Business Services department. From January 2009 to May 2011 and from May 2011 to June 2014, Ms. Chan worked at K&L Gates (with her last position as assistant solicitor) and served as an associate at Allen Overy Shearman Sterling (formerly known as Shearman & Sterling), respectively. From July 2014 to September 2016, she was an assistant vice president in the Listing Regulation and Enforcement Department of the Listing Division (formerly known as the “Compliance & Monitoring, Listing & Regulatory Affairs Division”) of Hong Kong Exchanges and Clearing Limited. Ms. Chan has been working at Taylor Wessing (formerly trading as H.M. Chan & Co in association with Taylor Wessing) since October 2016 and is currently a partner of the firm.

Ms. Chan currently serves as an independent non-executive director of (i) Town Ray Holdings Limited (登輝控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1692.HK) since December 2023, where she is a member of each of the audit committee, the remuneration committee and the nomination committee, and has been appointed as the chairperson of the audit committee in June 2024; and (ii) Kinergy Corporation Ltd. (精技集團有限公司\*), a company listed on the Main Board of the Stock Exchange (stock code: 3302.HK) since October 2024, where she is a member of the audit committee and the remuneration committee and the chairperson of the nomination committee.

Ms. Chan was awarded the degree of Bachelor of Social Sciences (Government and Laws) and the degree of Bachelor of Laws from the University of Hong Kong in December 2004 and December 2005, respectively.

\* For identification purpose only

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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**Dr. Cao Liujuan (曹劉娟)**, aged 41, was approved by the Shareholders to be appointed as our independent non-executive Director on February 13, 2025, with effect from the [REDACTED]. She is primarily responsible for exercising independent judgment on our Group’s strategy, performance and standard of conduct.

Dr. Cao has more than 10 years of academic experience in the area of computer science and AI technology. Dr. Cao joined the School of Information Science and Engineering of Xiamen University in March 2014 and currently serves as a professor of the Department of Computer Science and Technology of Xiamen University. Besides the position in the education industry, Dr. Cao has been serving as a director of the Fujian Provincial Engineering Research Center for Trusted Artificial Intelligence Analysis and Application (福建省可信人工智能分析與應用工程研究中心) since November 2024, where her research fields include computer vision, object detection and artificial intelligence.

Dr. Cao has been in charge of a project supported by the Natural Science Foundation of Fujian Province (Outstanding Youth Program) (福建省自然科學基金(傑青項目)) from 2022 to 2025. She was recognized as a Fujian Provisional Outstanding Youth (福建省傑出青年) in November 2021 and received the 2023 China Society of Image and Graphics Shi Qingyun Female Scientist Award (2023年中國圖像圖形學學會石青雲女科學家獎). Dr. Cao was selected for the National Key Young Talent Program (國家級重點青年人才項目) in January 2023 and was elected as one of the Young Chinese Female Scholars in AI 2023 (2023年度AI華人女性青年學者).

Dr. Cao received her bachelor’s degree in computer science and technology, a master’s degree and a PhD degree in computer applications from Harbin Engineering University (哈爾濱工程大學) in July 2005, March 2008 and July 2013, respectively.

### SUPERVISORY COMMITTEE

The Supervisory Committee currently consists of three Supervisors as of the date of this Document. The Supervisors include two shareholders’ representative Supervisors and one employee Supervisor. The shareholders’ representative Supervisors and the employee Supervisor are elected at the shareholders’ meetings and the staff representative assembly, respectively, for a term of three years, subject to re-election upon their retirement or resignation. The functions and duties of the Supervisory Committee include reviewing financial reports and business reports prepared by the Board and overseeing the financial and business performance of our Group. They are also entitled to appoint certified public accountants and practicing auditors to re-examine our Company’s financial information where necessary.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The following table sets out information in respect of the Supervisors.

Name	Age	Time of joining our Group	Date of appointment as a Supervisor	Position for current tenure	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
Ms. Yu Jianrong (于建榕) . . . .	57	September 19, 2024	September 19, 2024	Chairperson of the Supervisory Committee and Shareholders’ representative Supervisor	Supervising the performance of our Directors and members of senior management, and performing other supervisory duties as a shareholders’ representative Supervisor	None
Mr. Pei Shaoshan (裴韶山) . . . .	54	February 14, 2025	February 14, 2025	Shareholders’ representative Supervisor	Supervising the performance of our Directors and members of senior management, and performing other supervisory duties as a shareholders’ representative Supervisor	None
Mr. Zheng Weixin (鄭煒昕) . . . .	44	March 1, 2023	September 19, 2024	Employee Supervisor	Monitoring financial position of our Group, and supervising the performance of Directors and senior management as a representative of our employees	None

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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### Supervisors

**Ms. Yu Jianrong (于建榕)**, aged 57, has served as the Chairperson of our Supervisory Committee and a shareholders’ representative Supervisor of our Company since September 19, 2024. She joined our Company as a consultant since August 2024. She is primarily responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a shareholders’ representative Supervisor.

From July 1995 to March 2019, Ms. Yu consecutively worked as a branch deputy general manager, deputy general manager and general manager in China Industrial Securities Co., Ltd. Xiamen Branch (興業證券股份有限公司廈門分公司). From March 2019 to December 2022, Ms. Yu worked as a general manager in China Industrial Securities Co., Ltd. Shenzhen Branch (興業證券股份有限公司深圳分公司).

Ms. Yu completed her undergraduate (junior college starting point) course (本(專科起點)科) in finance with Open University of China (國家開放大學) (formerly known as China Central Radio and Television University (中央廣播電視大學)) in May 2004 in the PRC. Ms. Yu achieved her executive master’s degree in business administration from Xiamen University in June 2019 in the PRC.

**Mr. Pei Shaoshan (裴韶山)**, aged 54, has been our Supervisor representing Shareholders since February 14, 2025. He is primarily responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a shareholders’ representative Supervisor.

From June 2003 and May 2011 to present, Mr. Pei has been the general manager of Xiamen Borun Trading Co., Ltd. (廈門市博潤貿易有限公司) and Xiamen Benrun Technology Co., Ltd. (廈門本潤科技有限公司), respectively. Mr. Pei was the president of Xiamen Yingtan Chamber of Commerce (廈門市鷹潭商會) from August 2012 to January 2014, the executive president and the honorary president of Xiamen Jiangxi Chamber of Commerce (廈門市江西商會) from February 2014 to March 2023 and March 2023 to present, respectively.

**Mr. Zheng Weixin (鄭煒昕)**, aged 44, has been our employee Supervisor since September 19, 2024. He is primarily responsible for monitoring the financial position of our Group and supervising the performance of Directors and senior management as a representative of our employees.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

From February 2004 to June 2010, Mr. Zheng worked in Taikang Life Insurance Co., Ltd. Xiamen Branch (泰康人壽保險有限責任公司廈門分公司). He worked in Xiamen Branch (廈門市分公司) of PICC Property and Casualty Company Limited (中國人民財產保險股份有限公司) (stock code: 2328.HK; 601319.SH) from September 2015 to October 2021, and held the position of head of Xiamen service center at Taikang Online Property Insurance Co., Ltd. (泰康在線財產保險股份有限公司) from November 2021 to December 2022.

Mr. Zheng received his bachelor’s degree in Computer Science and Technology in July 2003 from Xiamen University (廈門大學) in the PRC.

### SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company.

Name	Age	Position/Title	Time of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
Mr. Tu Jinbo (涂錦波) . . .	48	Founder, chairman of the Board, executive Director and chief executive officer	April 17, 2015	April 17, 2015	Overall strategic planning, business direction and operational management of our Group	None
Mr. Shi Wenzheng (施文錚) . . .	44	Executive Director, executive vice president, risk control director and general manager of institutional management division	January 1, 2018	January 1, 2018	Overall risk management, technology research and development and branch development of our Group	None

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position/Title	Time of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
Mr. Liu Xiaomin (劉曉敏) . . . .	40	Executive vice president, director of ecology general manager of our “Baige eBao” (白鴿e保) business division and Greater Bay Area Operation division	April 1, 2018	April 1, 2020	Construction of the business ecology system and the development of Baige eBao (白鴿e保)	None
Mr. Chen Shaohuang (陳少煌) . .	40	Senior vice president, director of business and general manager of the Yangtze River Delta operation division	November 1, 2019	November 1, 2019	Overall business direction and overseeing the business operation of the Yangtze River Delta division	None
Mr. Ke Weibin (柯葳彬) . .	36	Vice president and director of strategy	August 1, 2020	August 1, 2020	Overall strategic planning and investments, corporate finance and investor relationship of our Group	None
Mr. Liang Zhichao (梁志超) . .	47	Vice general manager	November 19, 2018	November 19, 2018	Branch operational management of our Group	None
Mr. Wu Yilin (吳毅琳) . .	45	Vice general manager and director of finance	April 1, 2022	April 1, 2022	Overall strategic financial planning, financial management and financial reporting of our Group	None

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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**Mr. Tu Jinbo (涂錦波)**, aged 48, is our founder, the chairman of the Board, an executive Director and the chief executive officer of our Company. For details of his biography, please see “— Board of Directors — Executive Directors” in this section above.

**Mr. Shi Wenzheng (施文錚)**, aged 44, is an executive Director, executive vice president, risk control director and general manager of institutional management division of our Company. For details of his biography, please see “— Board of Directors — Executive Directors” in this section above.

**Mr. Liu Xiaomin (劉曉敏)**, aged 40, is an executive vice president, director of ecology and general manager of the Baige eBao (白鴿e保) business development division and the Greater Bay Area operation division of our Company. Mr. Liu joined our Company on April 1, 2018. Currently, he is primarily responsible for the construction of the business ecology system and the development of Baige eBao. Mr. Liu has more than 20 years of experience in the insurance industry and company management.

Prior to joining our Group, Mr. Liu worked at Ping An Property & Casualty Insurance Company of China, Ltd. Xiamen Branch (中國平安財產保險股份有限公司廈門分公司) from January 2006 to November 2009. From December 2009 to December 2013, Mr. Liu worked at Sunshine Property and Casualty Insurance Co., Ltd. Xiamen Branch (陽光財產保險股份有限公司廈門市分公司). Mr. Liu also worked at Haixia Goldbridge Insurance Co., Ltd. (海峽金橋財產保險股份有限公司) in the past.

Mr. Liu completed his diploma (專科) in biological science in June 2005 with Xianing Institute of Education (咸寧教育學院) in the PRC. Mr. Liu graduated from the Central Party School of the Chinese Communist Party (中共中央黨校) in the PRC in December 2007, majoring in economic management.

**Mr. Chen Shaohuang (陳少煌)**, aged 40, is a senior vice president, director of business and general manager of the Yangtze River Delta operation division of our Company. Mr. Chen joined our Company in November 2019. He is primarily responsible for the overall business direction and the business operation of the Yangtze River Delta division of the Group. Mr. Chen has more than 20 years of experience in the insurance industry, operational management and company management.

Prior to joining our Group, Mr. Chen worked at Dubon Property & Casualty Insurance Co., Ltd. Xiamen Branch (都邦財產保險股份有限公司廈門分公司) from March 2007 to March 2009. Mr. Chen also worked at Chang An Property & Casualty Insurance co., Ltd. Xiamen Branch (長安責任保險股份有限公司廈門分公司) since February 2012. From January 2013 to April 2014, Mr. Chen worked at Huatai Property and Casualty Insurance Company Xiamen Branch (華泰財產保險有限公司廈門分公司).

Mr. Chen graduated from Insurance Professional College (保險職業學院) in the PRC in January 2010, majoring in insurance.



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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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**Mr. Ke Weibin (柯葳彬)**, aged 36, is a vice president and the director of strategy of our Company. Mr. Ke joined our Company in August 2020 and is primarily responsible for the overall strategic planning and investments, corporate finance and investors relationship of our Group. Mr. Ke has more than 15 years of experience in corporate finance, investor relations, and corporate governance.

Prior to joining our Group, Mr. Ke worked in the securities division of Leascend Technology Co., Ltd. (璉升科技股份有限公司) (formerly known as Xiamen 35.Com Technology Co., Ltd (廈門三五互聯科技股份有限公司)), a company primarily engaged in the battery technology and software application industry that is listed on the Shenzhen Stock Exchange (stock code: 300051.SZ), from January 2010 to January 2013, where Mr. Ke was primarily responsible for investor relationship management. From January 2013 to June 2020, Mr. Ke served successively as the assistant to vice president, assistant to chairman of the board, director of capital market division and joint company secretary of China Greenfresh Group Co., Ltd. (中國綠寶集團有限公司), a company primarily engaged in the food production and processing business that was listed on the Hong Kong Stock Exchange (former stock code: 6183) and delisted in April 2022, and the general manager of its Hong Kong subsidiary, where Mr. Ke was primarily responsible for the overall management of investment, corporate finance and investors relationship.

Mr. Ke was recognized as a senior international finance manager by the International Financial Management Association. Mr. Ke is qualified to be a board secretary by the Shenzhen Stock Exchange. He is also a certified M&A dealmaker (併購交易師) and a member of the Hong Kong Securities and Investment Institute (香港證券及投資學會).

Mr. Ke received his bachelor’s degree in management in July 2010 from Xiamen University (廈門大學) in the PRC and obtained his master’s degree in business administration in August 2022 from the Hong Kong Metropolitan University in Hong Kong.

**Mr. Liang Zhichao (梁志超)**, aged 47, is a vice general manager of our Company. Mr. Liang joined our Company in November 2018 and is primarily responsible for the branch operational management of our Group. Mr. Liang has more than 23 years of experience in the insurance industry and operational management.

Prior to joining our Group, Mr. Liang worked at Ping An Property & Casualty Insurance Company of China, Ltd. Xiamen Branch (中國平安財產保險股份有限公司廈門分公司) from May 2002 to October 2015. From October 2015 to November 2016, Mr. Liang worked at Tianan Property Insurance Co., Ltd. of China Xiamen Branch (天安財產保險股份有限公司廈門分公司). From June 2017 to August 2018, Mr. Liang worked at Fujian branch of Haimeng International Insurance Brokers (Beijing) Co., Ltd. (海盟國際(北京)保險經紀有限公司福建分公司).

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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Mr. Liang graduated from Fujian Agriculture and Forestry University (福建農林大學) (formerly known as Fujian Agriculture University (福建農業大學)) in the PRC in July 2000, majoring in soil and agricultural chemistry.

**Mr. Wu Yilin (吳毅琳)**, aged 45, is a vice general manager and the director of finance of our Company. Mr. Wu joined our Company in April 2022. He is primarily responsible for the overall strategic financial planning, financial management and financial reporting of our Group. Mr. Wu has more than 22 years of practical financial management experience.

Prior to joining our Group, Mr. Wu worked at Fujian Longxi Bearing (Group) Co., Ltd. (福建龍溪軸承(集團)股份有限公司), a company primarily engaged in the manufacturing business and is listed on the Shanghai Stock Exchange (stock code: 600592.SH), from July 2003 to July 2008. From July 2008 to August 2020, Mr. Wu worked at Huate Holdings Group Co., Ltd. (華特控股集團有限公司) and its subsidiaries, which are primarily engaged in the commodity trading and construction industry. Mr. Wu worked as a director of finance of Xiamen 32nd Network Technology Co., Ltd. (廈門三十二網絡科技有限公司) from September 2020 to March 2022.

Mr. Wu received his bachelor’s degrees in accountancy and laws in July 2003 from Jiangxi University of Finance and Economics (江西財經大學) in the PRC.

### OTHER INFORMATION

Except as disclosed above, each of our Directors, Supervisors and members of senior management has not been a director of any public company whose securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

None of our Directors has any interests in any business, which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

None of our Directors, Supervisors and members of the senior management is related to other Directors, Supervisors and members of the senior management.

Except as disclosed above, to the best knowledge, information and belief of our Directors and Supervisors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors and Supervisors that needs to be brought to the attention of the Shareholders, and there was no information relating to our Directors and Supervisors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and no other matters are required to be brought to the attention of Shareholders as of the Latest Practicable Date.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in February 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

### JOINT COMPANY SECRETARIES

**Mr. Ke Weibin (柯葳彬)**, aged 36, is our vice general manager, director of strategy and joint company secretary. For details of his biography, please refer to the paragraph headed “— Senior Management” in this section.

**Mr. Chan Hei Yeung (陳晞陽)** is a joint company secretary of our Company. He has over five years of experience in initial public offerings, post-listing compliance, financial reporting and auditing.

Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales in the United Kingdom. Mr. Chan served as an auditor at Deloitte Touche Tohmatsu from September 2018 and September 2022. He currently works at Zhong Lun Law Firm LLP, specializing in corporate finance transactions including initial public offerings and post-listing compliance matters.

Mr. Chan obtained a LLB degree from the University of Sheffield, United Kingdom, a Postgraduate Diploma in Professional Accountancy from the Chinese University of Hong Kong and a Postgraduate Certificate in Laws from the University of Hong Kong.

### BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, Appendix C1 to the Listing Rules, our Company has formed three Board committees, namely, the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee.

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## **DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

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### **Audit Committee**

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely, Dr. Zhao Zhengtang, Mr. Wang Qianwei and Ms. Chan Tak Yi. Dr. Zhao serves as the chairperson of the Audit Committee. Ms. Chan possesses the appropriate accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to our Board, and monitoring the independence of external auditors and evaluating their performance;
- guiding internal audit work;
- examining the financial information of our Company, reviewing financial reports and statements of our Company and giving comments on relevant matters;
- assessing the effectiveness of internal control;
- coordinating the communication among management, internal audit department, related departments and external audit agency; and
- dealing with other matters that are authorized by the Board or involved in relevant laws and regulations.

### **Remuneration and Appraisal Committee**

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules, paragraph E.1 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Remuneration and Appraisal Committee consists of three Directors, namely, Dr. Cao Liujuan, Mr. Shi Wenzheng and Ms. Chan Tak Yi. Dr. Cao serves as the chairperson of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee include, but not limited to, the following:

- formulating individual remuneration plans for Directors and members of the senior management in accordance with the terms of reference of the job responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies;

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## **DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

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- examining the criteria of performance evaluation of Directors and the senior management of our Company, and conducting annual performance evaluation;
- supervising the implementation of the remuneration plan of the Company; and
- dealing with other matters that are authorized by the Board.

### **Nomination Committee**

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules, paragraph B.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely, Mr. Tu Jinbo, Dr. Zhao Zhengtang and Dr. Cao Liujuan. Mr. Tu serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but not limited to, the following:

- making recommendations to our Board with regards to the size and composition of our Board based on our Company’s business operation, asset scale and equity structure;
- researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;
- conducting extensive search and providing to our Board suitable candidates for Directors, general managers and other members of the senior management;
- examining our Board candidates, general manager and members of the senior management and making recommendations to our Board;
- assessing and reviewing the independence of independent non-executive Directors; and
- dealing with other matters that are authorized by our Board.

### **REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

Our Directors and Supervisors received their remuneration in the form of salaries, social security, housing benefits and other employee benefits, the employer’s contribution to the pension plans, discretionary bonuses and share-based compensation.

For the years ended December 31, 2022, 2023 and the nine months ended September 30, 2024, the aggregate amount of emoluments paid or payable to our Directors amounted to approximately RMB1.2 million, RMB1.9 million and RMB1.3 million (excluding share-based compensation), respectively.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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For the years ended December 31, 2022, 2023 and the nine months ended September 30, 2024, the aggregate amount of emoluments paid or payable to our Supervisors amounted to approximately nil, RMB0.1 million and RMB0.1 million (excluding share-based compensation), respectively.

Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors and our Supervisors for the year ending December 31, 2025 to be approximately RMB2.0 million (excluding share-based compensation). The actual remuneration of Directors and Supervisor in 2024 may be different from the expected remuneration.

For the years ended December 31, 2022, 2023 and the nine months ended September 30, 2024, there were one, one and two Directors among the five highest paid individuals, respectively. The total emoluments for the remaining individuals among the five highest paid individuals for the years ended December 31, 2022, 2023 and the nine months ended September 30, 2024 were RMB1.1 million, RMB1.0 million and RMB0.5 million (excluding share-based compensation), respectively.

We confirmed that during the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company.

During the Track Record Period, none of our Directors or Supervisors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiary to our Directors, Supervisors or the five highest paid individuals during the Track Record Period.

### CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [REDACTED].

Pursuant to code provision C.2.1 in the Corporate Governance, the roles of chairman of the board and chief executive officer should be separate and should not be performed by the same individual.

Mr. Tu is serving as the chairman of the Board as well as the chief executive officer of our Company. As Mr. Tu has been managing our Group’s business and overall strategic planning since our inception, our Directors consider that vesting the roles of chairman and chief executive officer in Mr. Tu is beneficial to the business prospects and management of our Group by ensuring consistent leadership within our Group. Taking into account all the

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## **DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

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corporate governance measures that we are going to implement upon the [REDACTED], our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Accordingly, our Company had not segregated the roles of its chairman and chief executive officer. Our Board will continue to review and consider splitting the roles of chairman of our Board and the chief executive officer of our Company at an appropriate time if necessary, taking into account the circumstances of our Group as a whole.

Save as disclosed above, as of the Latest Practicable Date and to the best of the knowledge, information and belief of our Directors, having made all reasonable enquiries, our Directors were not aware of any deviation from provisions in the Corporate Governance Code.

### **CONFIRMATION FROM DIRECTORS**

#### **Rule 3.09D of the Listing Rules**

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in February 2025, and (ii) understands his or her obligation as a director of a listed issuer under the Listing Rules.

#### **Rule 3.13 of the Listing Rules**

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his independence at the time of his or her appointment.

### **COMPETITION**

Each of our Directors confirms that as at the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10(2) of the Listing Rules.

### **BOARD DIVERSITY POLICY**

We are committed to promoting the culture of diversity in the Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We have adopted the board diversity policy (the “**Board Diversity Policy**”) which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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limited to gender, age, educational background, industry experience and professional experience. Our Directors have a balanced mix of knowledge and skills, including knowledge and experience in the overall management, accounting, corporate finance and software engineering. They obtained degrees in various areas including management, business administrations, economics, mathematics, finance and computer software. Our board diversity policy is well implemented as evidenced by the fact that there are Directors ranging from 40 years old to 52 years old with experience from different industries, sectors and genders.

We will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. We will encourage our incumbent Board members to recommend female candidate directors and take other actions to help achieve greater board diversity, for example inviting some of our outstanding female staff at mid to senior level to attend and observe Board meeting. This will allow our Board to understand more about these potential female candidates before they are nominated to our Board and provide opportunities for potential female candidates to prepare themselves for director duties. We will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of our Board. Our Group will continue to emphasize training of female talent and providing long-term development opportunities for our female staff including but not limited to business operation, management, accounting and finance, legal and compliance. As such, we are of the view that our Board will be offered chances to identify competent female staff at mid to senior level to be nominated as a Director in future with a pipeline of female candidates.

We are committed to adopting a similar approach to promote diversity within management (including but not limited to the senior management) of the Company to enhance the effectiveness of corporate governance of the Company as a whole.

Upon [REDACTED], our Board comprises six male members and two female members. Our Nomination Committee is responsible for ensuring the diversity of our Board members and compliance with relevant codes governing board diversity under the Corporate Governance Code contained in Appendix C1 to the Listing Rules. After the [REDACTED], our Nomination Committee will review the board diversity policy from time to time, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives to ensure its continued effectiveness. We will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.



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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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### COMPLIANCE ADVISOR

We have appointed CMBC International Capital Limited as our compliance advisor (the “**Compliance Advisor**”) pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company in certain circumstances including:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and
- (d) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the [REDACTED] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

## SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

### BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB71,819,058, comprising 71,819,058 [REDACTED] Shares of nominal value RMB1.00 each.

### UPON COMPLETION OF THE SHARE SUBDIVISION AND THE [REDACTED]

Immediately following completion of the Share Subdivision, the [REDACTED] and the Conversion of [REDACTED] Shares into H Shares, assuming the [REDACTED] is not exercised, the share capital of our Company will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage to total share capital</u> (%)
[REDACTED] Shares in issue . . . . .	[REDACTED]	[REDACTED]
H Share to be converted from [REDACTED] Shares . . . . .	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED] . .	[REDACTED]	[REDACTED]
<b>Total</b> . . . . .	<u>[REDACTED]</u>	<u>100.00</u>

Immediately following completion of the Share Subdivision, the [REDACTED] and the Conversion of [REDACTED] Shares into H Shares, assuming the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage to total share capital</u> (%)
[REDACTED] Shares in issue . . . . .	[REDACTED]	[REDACTED]
H Share to be converted from [REDACTED] Shares . . . . .	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED] . .	[REDACTED]	[REDACTED]
<b>Total</b> . . . . .	<u>[REDACTED]</u>	<u>100.00</u>

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## SHARE CAPITAL

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### RANKING

Upon completion of the [REDACTED], the Shares will consist of H Shares and [REDACTED] Shares. H Shares and [REDACTED] Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC.

[REDACTED] Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

### CONVERSION OF OUR [REDACTED] SHARES INTO H SHARES

Upon completion of the [REDACTED], all our [REDACTED] Shares (other than those converting to H Shares) are not listed or traded on any stock exchange. According to the stipulations by the State Council’s securities regulatory authority and the Articles of Association, the holders of our [REDACTED] Shares may convert their Shares into H Shares provided such conversion shall have gone through any requisite internal approval process. In addition, such conversion, trading and listing shall in all respects comply with the regulations prescribed by the State Council’s securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange and complete the filing process procedure with CSRC.

In accordance with the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請“全流通”業務指引》) (“**Full Circulation Guidelines**”) published and implemented by the CSRC on November 14, 2019 and amended on August 10, 2023 and the Trial Measures, domestic unlisted shares of H-share companies (including domestic unlisted shares held by domestic shareholders prior to the overseas listing, domestic unlisted shares further issued in the PRC after the overseas listing and unlisted shares held by foreign shareholders) could be listed and traded on the Stock Exchange after application to file with the CSRC. The Full Circulation Guidelines are applicable to domestic companies listed on the Stock Exchange only and not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange.

The Conversion of [REDACTED] Shares into H Shares will involve an aggregate of [REDACTED] Shares after the completion of the Share Subdivision held by 11 existing Shareholders, representing approximately [REDACTED]% of total issued Shares of the Company as of the Latest Practicable Date and approximately [REDACTED]% of total issued Shares of the Company upon completion of the Conversion of [REDACTED] Shares into H Shares and the [REDACTED] (assuming the [REDACTED] is not exercised). Set out below

## SHARE CAPITAL

are such number of Shares held by our existing Shareholders and their respective shareholding upon completion of the Share Subdivision, the Conversion of [REDACTED] Shares into H Shares and the [REDACTED] (assuming the [REDACTED] are not exercised):

Shareholders	[REDACTED] Shares to be converted into H Shares	Shares immediately after the Conversion of [REDACTED] Shares into H Shares and the [REDACTED] (assuming the [REDACTED] is not exercised)			
		H Shares	Approximate Percentage	[REDACTED] Shares	Approximate Percentage
Fujian Helihomei . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
New Hope . . . . .	[REDACTED]	[REDACTED] <sup>(2)</sup>	[REDACTED]%	[REDACTED]	[REDACTED]
Baige Tongchuang . . . . .	[REDACTED]	[REDACTED] <sup>(2)</sup>	[REDACTED]%	[REDACTED]	[REDACTED]%
Gerui Xiamen . . . . .	[REDACTED]	[REDACTED] <sup>(1)</sup>	[REDACTED]%	[REDACTED]	[REDACTED]%
Xiamen Fuguohao . . . . .	[REDACTED]	[REDACTED] <sup>(1)</sup>	[REDACTED]%	[REDACTED]	[REDACTED]%
Xiamen Huicheng . . . . .	[REDACTED]	[REDACTED] <sup>(2)</sup>	[REDACTED]%	[REDACTED]	[REDACTED]
Xiamen Meitong . . . . .	[REDACTED]	[REDACTED] <sup>(1)</sup>	[REDACTED]%	[REDACTED]	[REDACTED]
Yujin Tongxing . . . . .	[REDACTED]	[REDACTED] <sup>(2)</sup>	[REDACTED]%	[REDACTED]	[REDACTED]
Jiaxing Mianmiao . . . . .	[REDACTED]	[REDACTED] <sup>(1)</sup>	[REDACTED]%	[REDACTED]	[REDACTED]
Mr. Lin Baojie (林報捷) . .	[REDACTED]	[REDACTED] <sup>(1)</sup>	[REDACTED]%	[REDACTED]	[REDACTED]
Fujian Yongchun . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Minyin Sci-Tech . . . . .	[REDACTED]	[REDACTED] <sup>(1)</sup>	[REDACTED]%	[REDACTED]	[REDACTED]
Prolight . . . . .	[REDACTED]	[REDACTED] <sup>(1)</sup>	[REDACTED]%	[REDACTED]	[REDACTED]
<b>Total . . . . .</b>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]%</u>	<u>[REDACTED]</u>	<u>[REDACTED]%</u>

*Notes:*

1. These Shares will be counted towards the public float.
2. These Shares will not be counted towards the public float.

Approval of the Stock Exchange is required if any of the [REDACTED] Shares are to be converted into and traded as H shares on the Stock Exchange. Based on the procedures for the conversion of our [REDACTED] Shares into H Shares as disclosed in this section, we can apply for the listing of all or any portion of our [REDACTED] Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As any listing of additional Shares after our initial listing on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior application for listing at the time of our initial listing in Hong Kong.

No class Shareholder voting is required for the listing and trading of the converted Shares on the Stock Exchange. Any application for listing of the converted Shares on the Stock Exchange after our initial listing is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

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## SHARE CAPITAL

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After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant [REDACTED] Shares will be withdrawn from the share register of our Company and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on our H Share register will be on the condition that (a) our H Share Registrar lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates and (b) the admission of the H Shares to trade on the Stock Exchange will comply with the Listing Rules and the General Rules of HKSCC and HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on our H Share register, such Shares would not be [REDACTED] as H Shares.

For further details, please refer to “Risk Factors — Risks Related to the [REDACTED] — Future sales or perceived sales of a substantial number our H Shares in the public market following the [REDACTED] could materially and adversely affect the price of our H Shares and our ability to raise additional capital in the future.”

### RESTRICTION OF SHARE TRANSFER

The PRC Company Law provides that in relation to the public offering of a company, the shares of the company which have been issued prior to the offering shall not be transferred within one year from the date of listing. Accordingly, our Shares issued prior to the [REDACTED] shall not be transferred within 12 months from the [REDACTED].

Our Directors, Supervisors and members of the senior management of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors, Supervisors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the shares are [REDACTED] and traded, nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors, Supervisors and members of senior management of our Company. For further details, please refer to “Appendix V — Summary of Articles of Association”.

For details of the lock-up undertaking given by the Controlling Shareholders pursuant to Rule 10.07 of the Listing Rules see “[REDACTED] — [REDACTED] Arrangements — Lock Up Arrangement — Undertakings to the Stock Exchange pursuant to the Listing Rules — (B) Undertakings by each of our Controlling Shareholders”.

### SHAREHOLDERS’ GENERAL MEETING

For details of circumstances under which our general Shareholders’ meeting is required, see “Appendix IV — Summary of Principal Laws and Regulations” and “Appendix V — Summary of Articles of Association”.

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## SHARE CAPITAL

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### REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Notice of Centralized Registration and Deposit of Non-overseas Listed Shares of Companies Listed on an Overseas Stock Exchange (《關於境外上市公司非境外上市股份集中登記存管有關事宜的通知》) issued by the CSRC, our Company is required to register its shares that are not listed on any overseas stock exchange with China Securities Depository and Clearing Corporation Limited within 15 Business Days upon the [REDACTED] and provide a written report to the CSRC regarding the centralized registration and deposit of our Shares that are not listed on the overseas stock exchange as well as the [REDACTED] and [REDACTED] of our H Shares.

## FINANCIAL INFORMATION

*The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in the Accountants’ Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”).*

*The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed “Risk Factors” and “Business”.*

*For the purposes of this section, unless the context otherwise requires, references to the years of 2022 and 2023 refer to the years ended December 31 of such years.*

*In addition, the following discussion and analysis contains certain amounts and percentage figures that have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregation of the figures preceding them, and all monetary amounts and percentages shown are approximate amounts only.*

### OVERVIEW

We are a leading digital risk management solutions provider in the scenario-based insurance market in the PRC. By utilizing scenario-based insurance primarily as a tool, we generate revenue by providing innovative and technology-empowered risk management financial services, intelligent marketing and digitalization solutions and TPA services.

According to the CIC Report, we ranked first among China’s scenario-based insurance digital risk management solutions providers with a market share of 4.4% in China in terms of revenue in 2023. The scenario-based insurance market in China has experienced constant growth with a market size (in terms of premium income) of RMB51.1 billion in 2019 to RMB79.4 billion in 2023, and will maintain a steady growth trend with an expectation to reach RMB130.1 billion in 2028, representing a CAGR of 10.4% between 2023 and 2028. We derive revenue primarily from (i) risk management financial services, from which we receive commissions from insurance companies for assisting them in achieving successful delivery of insurance products underwritten by them, (ii) intelligent marketing and digitalization solutions, which include project fees paid by various enterprises, and (iii) TPA service fees paid by insurance companies. Our sales channels comprise (i) sales through channel partners, where we

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## FINANCIAL INFORMATION

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identify risks in business scenarios and via whom we acquire the end consumer resources and deliver insurance products underwritten by insurance companies to end insureds, and in return, we pay referral fees and service fees to our channel partners for successful purchase of insurance products by end insureds; and (ii) sales through individual insurance brokers, whom we engage to promote and distribute insurance products, and in return, we pay commissions to individual insurance brokers for successful purchase of insurance products by end insureds.

We achieved continued growth during the Track Record Period. Our total revenue grew by 63.1% from RMB404.5 million for the year ended December 31, 2022 to RMB659.9 million for the year ended December 31, 2023, and grew by 39.0% from RMB454.2 million for the nine months ended September 30, 2023 to RMB631.2 million for the nine months ended September 30, 2024. Our revenue from risk management financial services was RMB311.4 million, RMB535.9 million, RMB365.9 million and RMB574.2 million in 2022, 2023 and for the nine months ended September 30, 2023 and 2024, representing 77.0%, 81.2%, 80.6% and 91.0% of our total revenue for the corresponding years/periods, respectively. Our revenue from intelligent marketing and digitalization solutions was RMB86.9 million, RMB115.7 million, RMB81.9 million and RMB54.7 million in 2022, 2023 and for the nine months ended September 30, 2023 and 2024, representing 21.5%, 17.5%, 18.0% and 8.7% of our total revenue for the corresponding years/periods, respectively. Our revenue from TPA services was RMB6.2 million, RMB8.3 million, RMB6.4 million and RMB2.3 million in 2022, 2023 and for the nine months ended September 30, 2023 and 2024, representing 1.5%, 1.3%, 1.4% and 0.4% of our total revenue for the corresponding years/periods, respectively.

### KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition have been and will continue to be affected by a number of factors, which primarily include the following:

#### **China overall economic conditions**

During the Track Record Period, all of our business operations were in and all of our revenue was derived from China. Accordingly, our financial condition and results of operations are subject to the economic, legal developments and other factors in China. Our revenue is contingent on the demand for our solutions in China, which may be affected by the country’s overall economic growth. Various uncontrollable factors, such as real disposable income, unemployment levels, inflation or deflation, interest rates, currency exchange rates, taxation, and others, influence the Chinese economy and market conditions. For more details, please refer to the section headed “Risk Factors — Risks Relating to Conducting Business and Regulatory Compliance in the PRC” in this document.



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## FINANCIAL INFORMATION

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### **Premiums and commission rates**

We derive a majority of our revenue from our risk management financial services, entailing the full process digital risk management solutions for our partners, which begin with risk identification and continue to collaboration with insurance companies for designing customized solutions and insurance products, and further to sales and after sales administration, we receive commissions from upstream insurance companies from the successful purchase of those insurance products for end insureds. Our commission income is generally based on the commission rate which is a percentage of the premiums of insurance products distributed by us. Our revenue and results of operations are thus affected by the premiums and commission rates for insurance products that we distribute.

Insurance premiums refer to the premiums determined by insurance companies, based on our proposals that leverage our technical capabilities in the course of designing the customized insurance products. Commission rates for our digital risk management business fluctuate based on several factors and are determined between us and insurance companies. These factors include, but not limited to, the type of insurance products involved, the insurance period related to the commission rate, the expectations of insurance companies regarding profits, the anticipated claim ratios of the insurance products, market demand for insurance products, the availability and pricing of comparable products from other insurance companies, requirements set by industry associations, regulatory requirements, governmental policies, the services we provide and other factors which may affect insurance companies.

We encounter competition in the PRC insurance market from insurance agencies, individual agents, insurance intermediaries, internet insurance platforms, and the in-house sales teams of insurance companies. If the commission rates for our risk management financial services decrease and we fail to manage or reduce the referral fees paid to our channel partners and commission paid to the individual insurance brokers we engage accordingly, our gross profit margin might decrease, and our results of operations and financial performance might be adversely affected.

### **Maintaining and expanding collaborations with scenario-based partners**

The business prospects for our digital risk management business largely depend on our ability to maintain existing and expand new collaborations. However, the business performance of our scenario-based partners, who offer us a user population during their business operations, is directly linked to our client base. While we aim to maintain existing relationships, we also need to continue seeking new collaborations with scenario-based enterprises. We had cooperated with scenario-based partners from different industries and built a sales network consisting of insurance brokers covering most major provinces in the PRC during the Track Record Period.

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Any significant changes to our relationship with scenario-based partners could have a material adverse impact on our results of operations. For more details, please refer to the paragraph headed “Risk Factors — Risks Relating to Our Business and Our Industry — If we fail to maintain stable relationships with our business partners, our business, results of operations, financial condition and prospects could be materially and adversely affected” in this document.

### **Cost of revenue for our risk management financial services**

Cost of revenue for our risk management financial services primarily comprises referral fees, commissions and service fees. We cooperate with downstream channel partners to expand our reach to large population of end consumers, and we pay referral fees to channel partners for successful purchase of insurance products underwritten by our upstream insurance company partners for insurance clients through us. We also engage individual insurance brokers to promote and distribute the insurance products underwritten by insurance companies to end consumers, and we pay commissions to individual insurance brokers for successful distribution. The rates of referral fees to our channel partners and commissions to individual insurance brokers we engage fluctuate depending on the competitive landscape and the market conditions. In 2022 and 2023 and for the nine months ended September 30, 2023 and 2024, referral fees, commissions and service fees to our channel partners and individual insurance brokers amounted to RMB278.8 million, RMB485.7 million, RMB332.2 million and RMB523.9 million, accounting for 89.5%, 90.6%, 90.8% and 91.2% of our revenue from risk management financial services for the corresponding years/period, respectively. We anticipate that our referral fees, commissions and service fees will rise as we grow. To sustain our expected growth in gross and operating profit, it is essential to manage the growth rate of these fees and commissions.

### **Maintaining trusted relationships with insurance companies**

We rely on insurance companies to underwrite the insurance products we design. A trusted relationship is essential for customized insurance products developed by us to be launched in the market. We have cooperated with 63 out of 84 property and casualty insurance companies nationwide, fully covering the top 20 property and casualty insurance companies in the PRC in terms of insurance premiums. We need to maintain the growth of our business, along with our risk management capabilities and technological capabilities throughout the entire insurance cycle. This will not only reinforce our partnerships with current insurance companies but also help us attract new collaborations. As our business and client base expand, we will gain greater bargaining power, allowing us to negotiate more favorable terms in our collaborations with insurance companies.

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We are subject to concentration risk. Our five largest customers in terms of revenue contribution accounted for 55.3%, 69.0% and 79.2% of our total revenue in 2022 and 2023 and the nine months ended September 30, 2024, respectively. For each of the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, revenue generated from our largest customer in each respective year/period accounted for 25.3%, 20.0% and 43.6% of our total revenue, respectively. Any significant change to our relationship with insurance companies could have a material adverse impact on our results of operations. To mitigate any such potential concentration risk, we would continue to maintain a good relationship with our existing customers and would further diversify and expand the number of insurance companies we work with. For more details, please refer to the paragraph headed “Risk Factors — Risks Relating to Our Business and Our Industry — We are subject to customer concentration risk. Our growth and revenue could be materially and adversely affected if we lose any significant client or business partner, or if any significant client or business partner fails to cooperate with us at anticipated levels” in this document.

### Regulatory environment

We are subject to regulation and administration by the insurance regulatory authorities and other government authorities as described in the section headed “Regulatory Overview” in this document. The regulatory landscape for the insurance intermediary sector in the PRC is continually changing, and this changing trend will persist. If the interpretation or enforcement of current laws and regulations shifts, or if new regulations are introduced, we may need to acquire additional permits, licenses, or certificates. There is no assurance that we will be able to adapt to these changes in a timely manner. Such changes may lead to higher compliance costs.

For example, pursuant to the Notice of the Ministry of Industry and Information Technology on the Record-filing of Mobile Internet Apps (《工業和信息化部關於開展移動互聯網應用程序備案工作的通知》), promulgated by the Ministry of Industry and Information Technology of the PRC on July 21, 2023 and took effective on the same day, any APP sponsor that engages in Internet information services within the territory of the PRC shall go through the record-filing formalities in accordance with the Law of the People’s Republic of China Against Telecommunications and Internet Frauds (《中華人民共和國反電信網絡詐騙法》), the Administrative Measures on Internet-based Information Services (《互聯網信息服務管理辦法》) and other regulations. Any APP sponsor that fails to complete the record-filing formalities shall not engage in APP Internet information services. While this measure has enhanced industry standards and improved the overall environment, it has also led to higher operational costs for insurance intermediaries.

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## FINANCIAL INFORMATION

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### **BASIS OF PRESENTATION**

The historical financial information has been prepared in accordance with HKFRS. For more details on the accounting policies that have been applied, please refer to note 4 to the section headed “Appendix I — Accountants’ Report” in this document.

### **MATERIAL ACCOUNTING POLICY INFORMATION**

Our consolidated financial information has been prepared in accordance with HKFRS. The financial information is presented in RMB, which is the same as our Company’s functional currency and all values are rounded to the nearest thousand unless otherwise indicated. Our most critical accounting policies, judgments and estimates are summarized below. For more details on the description of our material accounting policy information, judgments and estimates, please refer to note 4 and note 5 to the section headed “Appendix I — Accountants’ Report” in this document.

#### **Revenue recognition**

Revenue is recognized when control over a product or service is transferred to the customer, at the amount of promised consideration to which our Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from risk management financial services is recognized at the point when the insurance policy becomes effective in accordance with the commission terms of the underlying agreements entered into with insurance policy issuers. The commissions are generally determined based on a percentage of premiums of the insurance policies paid by the policy holder. The brokerage fee rate is based on the terms specified in the service contract with the insurance company for each product sold through our Group.

Revenue from digitalization solutions services is recognized when our Group satisfies the performance obligation in a contract by transferring control over promised services to the customers. Control of the service refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the service. Based on the terms of the contract and the laws that apply to the contract, control of the services will generally be transferred at a point in time.

Revenue from TPA services is recognized over time as the customers of our Group simultaneously receive and consume the benefits provided by our Group’s performance as our Group performs. The progress towards complete satisfaction of a performance obligation is measured based on an output method, which recognizes revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict our Group’s performance in transferring control of the services.

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## FINANCIAL INFORMATION

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### **Impairment of financial assets**

Our Group recognizes a loss allowance for ECL on trade receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Our Group always recognizes lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on our 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 as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, our Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, our Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

### ***Significant increase in credit risk***

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, our Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, our 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. Forward-looking information considered includes the future prospects of the industries in which our Group’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to our Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- 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 for a particular financial instrument;
- 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;

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- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same 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, our Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless our Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, our Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default;
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Our Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there are no past due amounts.

Our 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.

### ***Definition of default***

Our Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including our Group, in full (without taking into account any collaterals held by our Group).

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Irrespective of the above analysis, our Group considers that default has occurred when a financial asset is generally more than 90 days past due unless our Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### *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:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty’s financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

### *Write-off policy*

Our Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under our Group’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

### *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 as described above. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date; our Group’s understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to our Group in accordance with the contract and all the cash flows that our Group expects to receive, discounted at the original effective interest rate.

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If our Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, our Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

Our Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income (“**FVTOCI**”), for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

### **Puttable shares liabilities**

A contract that contains an obligation for our Group to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount on initial recognition even if the obligation to purchase is conditional on the investors exercising their redemption rights. Subsequently the financial liability is measured at amortised cost using the effective interest method.

### ***Derecognition of puttable shares liabilities***

When our Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, our Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognized in profit or loss as the modification gain or loss within other gains and losses.



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## FINANCIAL INFORMATION

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### Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognized in the consolidated statements of financial position when our Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (“**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.

Our Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If our Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, our Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If our Group retains substantially all the risks and rewards of ownership of a transferred financial asset, our Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Our Group derecognizes financial liabilities when, and only when, our Group’s obligations are discharged, canceled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

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 marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

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### CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table summarizes our Company’s consolidated statements of profit or loss and other comprehensive income for the years/periods indicated, details of which are set out in the Accountants’ Report in Appendix I to this document.

	For the year ended December 31,		For the nine months ended September 30,	
	2022	2023	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(unaudited)</i>	<i>RMB’000</i>
Revenue . . . . .	404,524	659,902	454,187	631,191
Cost of revenue . . . . .	<u>(371,019)</u>	<u>(607,852)</u>	<u>(419,236)</u>	<u>(580,581)</u>
<b>Gross profit . . . . .</b>	<b>33,505</b>	<b>52,050</b>	<b>34,951</b>	<b>50,610</b>
Other income and gains . . . . .	4,637	14,463	7,787	6,822
Allowance for impairment loss on financial assets, net . . . . .	(1,285)	(1,743)	(2,050)	(1,604)
Selling and distribution expenses . . . . .	(28,798)	(40,883)	(28,364)	(33,857)
Administrative expenses . . . . .	(13,795)	(18,616)	(14,146)	(15,173)
Research and development expenses . . . . .	<u>(14,057)</u>	<u>(15,662)</u>	<u>(7,899)</u>	<u>(16,497)</u>
<b>Loss from operations . . . . .</b>	<b>(19,793)</b>	<b>(10,391)</b>	<b>(9,721)</b>	<b>(9,699)</b>
Finance costs . . . . .	<u>(5,536)</u>	<u>(6,904)</u>	<u>(5,129)</u>	<u>(6,231)</u>
<b>Loss before tax . . . . .</b>	<b>(25,329)</b>	<b>(17,295)</b>	<b>(14,850)</b>	<b>(15,930)</b>
Income tax credit . . . . .	254	115	130	354
<b>Loss for the year/period . . . . .</b>	<b><u>(25,075)</u></b>	<b><u>(17,180)</u></b>	<b><u>(14,720)</u></b>	<b><u>(15,576)</u></b>

#### Non-HKFRS Measure

To supplement our consolidated financial statements of profit or loss and other comprehensive income, which are presented in accordance with HKFRS, we also use adjusted loss for the year/period (non-HKFRS measure) as an additional financial measure. We present this financial measure because it is used by our management to evaluate our financial performance by eliminating the impact of the [REDACTED]. We also believe that this non-HKFRS measure provides additional information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management and in comparing financial results across accounting periods and to those of our peer companies.

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The term adjusted loss for the year/period is not defined under HKFRS. As a non-HKFRS measure, adjusted loss for the year/period is presented because our management believes such information will be helpful for investors in assessing the effect of the [REDACTED] on our profit. The use of the adjusted loss for the year/period (non-HKFRS measure) has material limitations as an analytical tool as it does not include all items that impact our loss for the relevant periods. In light of the foregoing limitations, when assessing our operating and financial performance, you should not view the adjusted loss for the year/period (non-HKFRS measure) in isolation or as a substitute for our loss for the year/period or any other operating performance measure that is calculated in accordance with HKFRS. In addition, because this non-HKFRS measure may not be calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies.

The following table reconciles our adjusted loss for the years/periods (non-HKFRS measure) against loss for the years/periods presented in accordance with HKFRS, which is profit from our continuing operations:

	For the year ended December 31,		For the nine months ended September 30,	
	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(unaudited)</i>	
<b>Loss for the year/period . . .</b>	<b><u>(25,075)</u></b>	<b><u>(17,180)</u></b>	<b><u>(14,720)</u></b>	<b><u>(15,576)</u></b>
Add:				
[REDACTED] . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<i>(Gains)/loss in connection with puttable shares liabilities</i>				
Interest on puttable shares liabilities . . . . .	4,746	6,416	4,741	5,909
Gain on initial recognition of puttable shares liabilities .	–	–	–	(3,944)
Gain on modification of puttable shares liabilities . .	–	(5,086)	–	–
Share-based compensation . . .	<u>606</u>	<u>2,390</u>	<u>1,775</u>	<u>1,833</u>
<b>Adjusted loss for the year/period (non-HKFRS measure) . . . . .</b>	<b><u>(19,723)</u></b>	<b><u>(13,460)</u></b>	<b><u>(8,204)</u></b>	<b><u>(8,887)</u></b>

Our net loss decreased from RMB25.1 million in 2022 to RMB17.2 million in 2023, primarily due to the increase in the gross profit of our risk management financial services. Our net loss increased from RMB14.7 million for the nine months ended September 30, 2023 to RMB15.6 million for the nine months ended September 30, 2024, primarily due to an increase in [REDACTED], selling and distribution expenses and research and development expenses, partially offset by an increase in the overall gross profit.

## FINANCIAL INFORMATION

### DESCRIPTION OF SELECTED ITEMS IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

#### Revenue

##### *Revenue by business segment*

The following table sets forth the breakdown of our revenue by business segment for the years/periods indicated:

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Risk management financial services . . . . .	311,365	77.0	535,927	81.2	365,863	80.6	574,242	91.0
Intelligent marketing and digitalization solutions . .	86,926	21.5	115,671	17.5	81,911	18.0	54,651	8.7
TPA services . . . . .	6,233	1.5	8,304	1.3	6,413	1.4	2,298	0.3
<b>Total</b> . . . . .	<b>404,524</b>	<b>100.0</b>	<b>659,902</b>	<b>100.0</b>	<b>454,187</b>	<b>100.0</b>	<b>631,191</b>	<b>100.0</b>

During the Track Record Period, we generated revenue from three segments: (i) risk management financial services; (ii) intelligent marketing and digitalization solutions; and (iii) TPA services. We generated revenue from our risk management financial services mainly through receiving commissions from insurance companies for distribution of their insurance products to end insureds. We also generated revenue from providing intelligent marketing and digitalization solutions and TPA services as part of our digital risk management business.

Our revenue from risk management financial services was RMB311.4 million, RMB535.9 million, RMB365.9 million and RMB574.2 million for the years ended 2022 and 2023 and nine months ended September 30, 2023 and 2024, respectively, representing 77.0%, 81.2%, 80.6% and 91.0% for the corresponding years/periods, respectively. Our revenue from intelligent marketing and digitalization solutions was RMB86.9 million, RMB115.7 million, RMB81.2 million and RMB54.7 million for the years ended 2022 and 2023 and nine months ended September 30, 2023 and 2024, respectively. Our revenue from TPA services was RMB6.2 million, RMB8.3 million, RMB6.4 million and RMB2.3 million for the years ended 2022 and 2023 and nine months ended September 30, 2023 and 2024, respectively.

##### *Revenue from risk management financial services by ecosystem*

We deliver a comprehensive mix of insurance products underwritten by our upstream insurance company partners, providing end insureds in different scenarios customized protection. These scenarized insurance products are categorized into nine ecosystems, namely, (i) mobility, (ii) general human resources, (iii) inclusive finance, (iv) medical and healthcare, (v) public services, (vi) auto services, (vii) education, (viii) logistics and (ix) e-engineering ecosystems.

## FINANCIAL INFORMATION

The table below sets forth the GWP and commission income generated from insurance company partners for distribution of their insurance products in each ecosystem for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,									
	2022			2023			2023			2024						
	GWP RMB'000	Commission income RMB'000	Percentage of commission income %	Average commission rate %	GWP RMB'000	Commission income RMB'000	Percentage of commission income %	Average commission rate %	GWP RMB'000	Commission income RMB'000	Percentage of commission income %	Average commission rate %				
													<i>(unaudited)</i>			<i>(unaudited)</i>
<b>Ecosystem</b>																
Auto services . . . . .	1,099,191	115,036	36.9	10.5	1,406,407	131,771	24.6	9.4	990,463	93,912	25.7	9.5	901,090	66,716	11.6	7.4
Inclusive finance . . . . .	90,917	8,241	2.6	9.1	291,267	141,806	26.5	48.7	181,012	74,757	20.4	41.3	404,179	269,541	46.9	66.7
Public services . . . . .	186,044	54,520	17.5	29.3	293,308	98,894	18.5	33.7	216,533	70,657	19.3	32.6	208,017	78,591	13.7	37.8
Mobility . . . . .	103,993	21,639	6.9	20.8	169,545	41,623	7.8	24.5	125,224	30,402	8.3	24.3	151,287	35,906	6.3	23.7
General human resources . . . . .	151,906	35,465	11.4	23.3	181,428	38,761	7.2	21.4	143,720	31,233	8.5	21.7	166,085	35,897	6.3	21.6
Others <sup>Note</sup> . . . . .	369,072	76,464	24.7	20.7	364,148	83,072	15.4	22.8	281,390	64,902	17.8	23.1	479,440	87,591	15.2	18.3
<b>Total</b> . . . . .	<u>2,001,123</u>	<u>311,365</u>	<u>100.0</u>	<u>15.6</u>	<u>2,706,103</u>	<u>535,927</u>	<u>100.0</u>	<u>19.8</u>	<u>1,938,342</u>	<u>365,863</u>	<u>100.0</u>	<u>18.9</u>	<u>2,310,098</u>	<u>574,242</u>	<u>100.0</u>	<u>24.9</u>

*Note:* Other ecosystems include medical and healthcare ecosystem, education ecosystem, logistics ecosystem and e-engineering ecosystem.

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During the Track Record Period, our revenue from risk management financial services recorded an increasing trend, primarily driven by the rise in commission income from the distribution of insurance products. This increase aligns with the increase in GWP we facilitated, primarily attributable to our overall business growth. In particular, the commission income attributable to our inclusive finance ecosystem increased from RMB8.2 million in 2022 to RMB141.8 million in 2023, and from RMB74.8 million for the nine months ended September 30, 2023 to RMB269.5 million for the nine months ended September 30, 2024. This growth was attributed to our delayed payment insurance that commenced in July 2023, which subsequently became our highest revenue generating product for the nine months ended September 30, 2024.

During the Track Record Period, we observed a general upward trend in the commission rates we received from insurance companies. Our average commissions rate increased from 15.6% in 2022 to 19.8% in 2023, and from 18.9% for the nine months ended September 30, 2023 to 24.9% for the nine months ended September 30, 2024, primarily attributable to our ongoing expansion and the maturation of the markets we have explored, enhancing our bargaining position with insurance companies.

During the Track Record Period, we from time to time introduced new insurance products across different ecosystems. Commission rate for each insurance product differs depending on various factors, including but not limited to, the expectation of insurance companies, the anticipated claim rate, market demand for insurance products and our service coverage. The ongoing changing product mix therefore led to fluctuations in the average commission rates for some ecosystems. The average commission rate for our inclusive finance ecosystem increased from 9.1% in 2022 to 48.7% in 2023 and from 41.3% for the nine months ended September 30, 2023 to 66.7% for the nine months ended September 30, 2024, driven by the significant increase in the delivery of delayed payment insurance, which generally charge higher commission rates and raised the average commission rate during the Track Record Period. Our average commission rate for public services ecosystem grew from 29.3% in 2022 to 33.7% in 2023, and from 32.6% for the nine months ended September 30, 2023 to 37.8% for the nine months ended September 30, 2024, primarily due to a continuous increase in the proportion of commission income attributable to a domestic property insurance product which features higher commission rates. During the Track Record Period, our average commission rates for general human resources ecosystem, mobility ecosystem and auto services ecosystem ranged from 21.4% to 23.3%, from 20.8% to 24.5% and from 7.4% to 10.5%, respectively, and were relatively stable.

### *Revenue from intelligent marketing and digitalization solutions by type of customers*

The table below sets forth the revenue generated from our intelligent marketing and digitalization solutions by type of customers for the years/periods indicated:

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	RMB'000	%	RMB'000	%	RMB'000 <i>(unaudited)</i>	% <i>(unaudited)</i>	RMB'000	%
Insurance companies . . . . .	20,726	23.8	53,395	46.2	42,521	51.9	18,148	33.2
Other enterprises . . . . .	66,200	76.2	62,276	53.8	39,390	48.1	36,503	66.8
<b>Total</b> . . . . .	<u>86,926</u>	<u>100.0</u>	<u>115,671</u>	<u>100.0</u>	<u>81,911</u>	<u>100.0</u>	<u>54,651</u>	<u>100.0</u>

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Our revenue from intelligent marketing and digitalization solutions increased from RMB86.9 million in 2022 to RMB115.7 million in 2023 as a result of the increase in the number of our projects from 54 to 73 during the respective years. Our revenue from intelligent marketing and digitalization solutions decreased from RMB81.9 million for the nine months ended September 30, 2023 to RMB54.7 million for the nine months ended September 30, 2024, primarily attributable to completion of certain intelligent marketing projects delivered to insurance companies during the period. Following the completion of these projects, insurance companies in general transitioned to engaging us for risk management financial services, encompassing more comprehensive services rather than solely intelligent marketing solutions.

### *Revenue from TPA services*

Revenue generated from our TPA services increased from RMB6.2 million in 2022 to RMB8.3 million in 2023. We recorded a decrease from RMB6.4 million for the nine months ended September 30, 2023 to RMB2.3 million for the nine months ended September 30, 2024, resulting from cessation of TPA engagements with certain insurance companies.

### **Cost of revenue**

The following table sets forth the breakdown of our cost of revenue by nature for the years/periods indicated:

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
					<i>(unaudited)</i>	<i>(unaudited)</i>		
<b>Referral fees, commissions and service fees . . . . .</b>	<b>278,757</b>	<b>75.1</b>	<b>485,682</b>	<b>79.9</b>	<b>332,175</b>	<b>79.2</b>	<b>523,926</b>	<b>90.2</b>
<b>Service fees . . . . .</b>	<b>90,799</b>	<b>24.5</b>	<b>120,888</b>	<b>19.9</b>	<b>86,161</b>	<b>20.6</b>	<b>55,596</b>	<b>9.6</b>
– Intelligent marketing and digitalization solutions . .	85,386	23.0	114,698	18.9	81,180	19.4	53,746	9.3
– TPA services . . . . .	5,413	1.5	6,190	1.0	4,981	1.2	1,850	0.3
<b>Wages and salaries . . . . .</b>	<b>1,463</b>	<b>0.4</b>	<b>1,282</b>	<b>0.2</b>	<b>900</b>	<b>0.2</b>	<b>1,059</b>	<b>0.2</b>
<b>Total . . . . .</b>	<b><u>371,019</u></b>	<b><u>100.0</u></b>	<b><u>607,852</u></b>	<b><u>100.0</u></b>	<b><u>419,236</u></b>	<b><u>100.0</u></b>	<b><u>580,581</u></b>	<b><u>100.0</u></b>

During the Track Record Period, our cost of sales comprised (i) referral fees, commissions and service fees to our channel partners and individual insurance brokers for successful distribution of insurance products; (ii) service fees incurred for our intelligent marketing and digitalization solutions; (iii) service fees incurred for our TPA services including technical support; and (iv) wages and salaries of our TPA staff. The overall increase in referral fees was primarily attributable to the increase in referral fees and commissions as we continuously expanded our reach to more scenarios and end insureds, which was in line with our overall revenue growth in risk management financial services throughout the Track Record Period. In particular, our revenue from risk management financial services increased from RMB311.4 million in 2022 and to RMB535.9 million in 2023, and from RMB365.9 million for the nine months ended September 30, 2023 to RMB574.2 million for the nine months ended September 30, 2024.

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Additionally, we observed a significant increase in the proportion of referral fees, commissions and service fees in our total cost of revenue, climbing from 79.2% for the nine months ended September 30, 2023 to 90.2% for the nine months ended September 30, 2024. The increase corresponded with the increase in the proportion of our revenue from risk management financial services in our total revenue which grew from 80.6% to 91.0% between the respective periods.

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in our referral fees, commissions and service fees on our loss before taxation for the years/periods indicated, assuming all other factors influencing our profitability had remained constant.

Increase/decrease in referral fees, commissions and service fees:

	Increase/ decrease by 5%	Increase/ decrease by 10%	Increase/ decrease by 15%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Corresponding change in loss before taxation</b>			
For the year ended December 31,			
2022 . . . . .	13,938	27,876	41,814
For the year ended December 31,			
2023 . . . . .	24,284	48,568	72,852
For the nine months ended			
September 30, 2023 . . . . .	16,609	33,218	49,826
For the nine months ended			
September 30, 2024 . . . . .	26,196	52,393	78,589

### Gross profit and gross profit margin

#### *Gross profit and gross profit margin business segment*

The following table sets forth a breakdown of gross profit and gross profit margin by business segment for the years/periods indicated:

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
					<i>(unaudited)</i>	<i>(unaudited)</i>		
Risk management financial services . . . . .	31,173	10.0	48,983	9.1	32,803	9.0	49,261	8.6
Intelligent marketing and digitalization solutions . . . . .	1,540	1.8	973	0.8	731	0.9	905	1.7
TPA services . . . . .	792	12.7	2,094	25.2	1,417	22.1	444	19.3
<b>Total . . . . .</b>	<b>33,505</b>	<b>8.3</b>	<b>52,050</b>	<b>7.9</b>	<b>34,951</b>	<b>7.7</b>	<b>50,610</b>	<b>8.0</b>



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For the years ended December 31, 2022 and 2023 and nine months ended September 30, 2023 and 2024, we experienced an overall growth in gross profit and recorded gross profit of RMB33.5 million, RMB52.1 million, RMB35.0 million and RMB50.6 million, corresponding to gross profit margin of 8.3%, 7.9%, 7.7% and 8.0%, respectively.

The gross profit for our risk management financial services increased from RMB31.2 million in 2022 to RMB49.0 million in 2023, and increased from RMB32.8 million for the nine months ended September 30, 2023 to RMB49.3 million for the nine months ended September 30, 2024. The gross profit margin for our risk management financial services decreased from 10.0% in 2022 to 9.1% in 2023. For the nine months ended September 30, 2023 and 2024, we recorded similar gross profit margin for our risk management financial services with 9.0% and 8.6% for the respective periods.

### Other income and gains

The following table sets forth the breakdown of our other income and gains for the years/periods indicated:

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
					<i>(unaudited)</i>		<i>(unaudited)</i>	
Interest income . . . . .	545	11.8	1,102	7.6	847	10.9	1,357	19.9
Government grants . . . . .	351	7.6	5,168	35.7	4,542	58.3	1,515	22.2
VAT . . . . .	3,061	66.0	3,000	20.7	2,301	29.5	-	-
Covid-19 related rent concession . . . . .	497	10.7	-	-	-	-	-	-
Gain on termination of leases . . . . .	-	-	46	0.4	46	0.6	-	-
Gain on initial recognition of puttable shares liabilities . . . . .	-	-	-	-	-	-	3,944	57.8
Gain on modification of puttable shares liabilities .	-	-	5,086	35.2	-	-	-	-
Others . . . . .	183	3.9	61	0.4	51	0.7	6	0.1
<b>Total . . . . .</b>	<u>4,637</u>	<u>100.0</u>	<u>14,463</u>	<u>100.0</u>	<u>7,787</u>	<u>100.0</u>	<u>6,822</u>	<u>100.0</u>

Our other income and gains mainly consists of (i) interest income from bank deposits and time deposits, (ii) government grants mainly in relation to the subsidies received from local governments in the PRC, (iii) super-deduction of input value added tax (“VAT”), (iv) Covid-19 related rent concession, (v) gain on termination of leases, (vi) gain on initial recognition of puttable shares liabilities, (vii) gain on modification of puttable shares liabilities, and (viii) others. For the years ended December 31, 2022 and 2023 and nine months ended September 30, 2023 and 2024, we recorded other income and gains of RMB4.6 million, RMB14.5 million, RMB7.8 million and RMB6.8 million, respectively.

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During the period, we placed deposits with a bank in which one of our substantial Shareholders has equity interest to receive interest income. After [REDACTED], if we need to place deposits with any connected person, we will comply with the relevant the Listing Rules requirements (especially the requirements under Chapter 14A of the Listing Rules) as and when appropriate.

### Allowance for impairment loss on financial assets, net

During the Track Record Period, our net allowance for impairment loss on financial assets, were mainly allowance for expected credit losses of trade receivables. During the Track Record Period, we recorded net allowance for impairment loss of RMB1.3 million, RMB1.7 million, RMB2.1 million and RMB1.6 million for the years end December 31, 2022 and 2023 and nine months ended September 30, 2023 and 2024, respectively.

### Selling and distribution expenses

Our selling and distribution expenses consist primarily of (i) advertising and marketing expenses, (ii) salaries and other benefits, (iii) office administrative expenses, and (iv) share-based payments.

The following table sets forth a breakdown of our selling and distribution expenses for the years/periods indicated:

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
					(unaudited)	(unaudited)		
Advertising and marketing expenses . . . . .	24,663	85.6	37,541	91.8	25,793	90.9	30,935	91.4
Salaries and other benefits . . . . .	3,324	11.5	2,334	5.7	1,801	6.3	2,049	6.2
Office administrative expenses . . . . .	417	1.5	435	1.1	342	1.2	438	1.2
Share-based payments . . . . .	394	1.4	573	1.4	428	1.6	435	1.2
	<u>28,798</u>	<u>100.0</u>	<u>40,883</u>	<u>100.0</u>	<u>28,364</u>	<u>100.0</u>	<u>33,857</u>	<u>100.0</u>

### Administrative expenses

Our administrative expenses consist primarily of (i) salaries and other benefits, (ii) office administrative expenses, (iii) depreciation and amortization, (iv) [REDACTED], (v) share-based payment and (vi) others including regulatory fees paid by us to NFRA as an insurance intermediary.

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The following table sets forth a breakdown of our administrative expenses for the years/periods indicated:

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
					<i>(unaudited)</i>	<i>(unaudited)</i>		
Salaries and other benefits . . . . .	7,004	50.8	8,349	44.8	6,358	44.9	5,666	37.3
Office administrative expenses . . . . .	4,483	32.5	4,977	26.7	3,861	27.3	2,687	17.7
Depreciation and amortization . . . . .	1,813	13.1	2,342	12.6	1,717	12.2	1,897	12.5
[REDACTED] . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Share-based payments . . . . .	194	1.4	1,799	9.7	1,334	9.4	1,385	9.1
Others . . . . .	301	2.2	1,149	6.2	876	6.2	647	4.3
	<u>13,795</u>	<u>100.0</u>	<u>18,616</u>	<u>100.0</u>	<u>14,146</u>	<u>100.0</u>	<u>15,173</u>	<u>100.0</u>

### Research and development expenses

Our research and development costs mainly comprise of (i) salaries and other benefits, (ii) project service fee, (iii) server fee, (iv) share-based payments, and (v) other expenses such as property management fees, depreciation and amortization.

The following table sets forth a breakdown of our research and development expenses for the years/periods indicated:

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
					<i>(unaudited)</i>	<i>(unaudited)</i>		
Salaries and other benefits . . . . .	3,937	28.0	4,751	30.3	3,529	44.7	3,653	22.1
Project service fee . . . . .	9,079	64.6	9,962	63.6	3,696	46.8	11,958	72.5
Server fee . . . . .	598	4.3	894	5.7	640	8.1	753	4.6
Share-based payments . . . . .	18	0.1	18	0.2	13	0.1	13	0.1
Others . . . . .	425	3.0	37	0.2	21	0.3	120	0.7
	<u>14,057</u>	<u>100.0</u>	<u>15,662</u>	<u>100.0</u>	<u>7,899</u>	<u>100.0</u>	<u>16,497</u>	<u>100.0</u>

Our research and development costs were RMB14.1 million, RMB15.7 million, RMB7.9 million and RMB16.5 million for the years ended December 31, 2022 and 2023 and nine months ended September 30, 2023 and 2024, respectively.

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### Finance costs

Our finance costs mainly represented interest expenses on puttable shares liabilities (representing contingently redeemable preferred shares we issued to certain investors), bank borrowings and lease liabilities. We recorded finance costs of RMB5.5 million, RMB6.9 million, RMB5.1 million and RMB6.2 million for the years ended December 31, 2022 and 2023 and nine months ended September 30, 2023 and 2024, respectively.

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
					<i>(unaudited)</i>	<i>(unaudited)</i>		
Interest on puttable shares liabilities . . . . .	4,746	85.7	6,416	92.9	4,741	92.4	5,909	94.8
Interest on lease liabilities . . . . .	754	13.6	488	7.1	388	7.6	244	3.9
Interest on borrowings. . . . .	36	0.7	–	–	–	–	78	1.3
	5,536	100.0	6,904	100.0	5,129	100.0	6,231	100.0

### Income tax

#### (i) Hong Kong profits tax

No Hong Kong profits tax has been provided for as our Group did not have any assessable profit in Hong Kong during the Track Record Period.

#### (ii) PRC corporate income tax

During the Track Record Period, we were subject to a statutory rate of 25% determined in accordance with the PRC Enterprise Income Tax Law except for the preferential tax rates mentioned below.

Under the PRC Income Tax Laws, an enterprise which qualifies as a High and New Technology Enterprise (“HNTTE”) is entitled to a preferential tax rate of 15% provided that it continues to meet HNTTE qualification standards on an annual basis. The Company qualified as an HNTTE and was entitled for a preferential tax rate of 15% from 2020 to 2025.

We recorded tax credit of RMB0.3 million, RMB0.1 million, RMB0.1 million and RMB0.4 million for the years ended December 31, 2022 and 2023 and nine months ended September 30, 2023 and 2024, respectively. For details, please refer to note 11 to the Accountants’ Report in Appendix I to this document.

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## FINANCIAL INFORMATION

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As of the Latest Practicable Date and during the Track Record Period, we had fulfilled all our tax obligations and did not have any unresolved tax disputes.

### PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

#### **Nine months ended September 30, 2024 compared to nine months ended September 30, 2023**

##### *Revenue*

Our total revenue increased by 39.0% from RMB454.2 million for the nine months ended September 30, 2023 to RMB631.2 million for the nine months ended September 30, 2024, mainly due to the increase in revenue generated from our risk management financial services.

Our revenue generated from risk management financial services increased by 57.0% from RMB365.9 million for the nine months ended September 30, 2023 to RMB574.2 million for the nine months ended September 30, 2024, primarily attributable to the increased commission income generated from insurance companies driven by the increase in GWP for the delivery of insurance products underwritten by them. In particular, the commission income attributable to our inclusive finance ecosystem, increased from RMB74.8 million for the nine months ended September 30, 2023 to RMB269.5 million for the nine months ended September 30, 2024. This growth was attributed to our delayed payment insurance that commenced in July 2023, which subsequently became our highest revenue generating product for the nine months ended September 30, 2024.

Our revenue generated from intelligent marketing and digitalization solutions decreased by 33.3% from RMB81.9 million for the nine months ended September 30, 2023 to RMB54.7 million for the nine months ended September 30, 2024 mainly due to completion of certain intelligent marketing projects delivered to insurance companies during the period. Following the completion of these projects, insurance companies in general transitioned to engaging us for risk management financial services, encompassing more comprehensive services rather than solely intelligent marketing solutions.

Our revenue generated from TPA services decreased by 64.2% from RMB6.4 million for the nine months ended September 30, 2023 to RMB2.3 million for the nine months ended September 30, 2024, mainly due to cessation of TPA engagements with certain insurance companies.

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## FINANCIAL INFORMATION

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### *Cost of revenue*

Our cost of revenue increased by 38.5% from RMB419.2 million for the nine months ended September 30, 2023 to RMB580.6 million for the nine months ended September 30, 2024, primarily attributable to the increase in referral fees to scenario-based partners as we expanded our reach to more scenarios and end insureds, which was in line with our revenue growth in risk management financial services during the nine months ended September 30, 2024.

### *Gross profit and gross profit margin*

Our overall gross profit increased by 44.8% from RMB35.0 million for the nine months ended September 30, 2023 to RMB50.6 million for the nine months ended September 30, 2024 mainly due to the increase in gross profit of our risk management financial services from RMB32.8 million to RMB49.3 million for the same periods.

Our overall gross profit margin increased from 7.7% for the nine months ended September 30, 2023 to 8.0% for the nine months ended September 30, 2024. The increase was primarily attributed to the increasing proportion of revenue derived from risk management financial services, which had a higher gross profit margin amounting to 8.6% for the nine months ended September 30, 2024 compared with other segments and raised our overall gross profit margin.

We recorded similar gross profit margin of our risk management financial services, with 9.0% for the nine months ended September 30, 2023 and 8.6% for the nine months ended September 30, 2024.

The gross profit margin of our intelligent marketing and digitalization solutions increased from 0.9% for the nine months ended September 30, 2023 to 1.7% for the nine months ended September 30, 2024.

### *Other income and gains*

Our other income and gains decreased by 12.4% from RMB7.8 million for the nine months ended September 30, 2023 to RMB6.8 million for the nine months ended September 30, 2024 as our Group received an one-off reward of RMB3.0 million granted by Xiamen Municipal Government Office for recognizing our Group’s contribution to Xiamen’s investment promotion which was absent during the nine months ended September 30, 2024 and the cessation of super-deduction of input VAT policies during the nine months ended September 30, 2024. This was partially offset by a gain on initial recognition of puttable shares liabilities after the completion of a capital increase in January 2024.

### **Allowance for impairment loss on financial assets, net**

We recorded allowance for impairment loss on financial assets of RMB2.1 million and RMB1.6 million for the nine months ended September 30, 2023 and 2024, respectively.

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### *Selling and distribution expenses*

Our selling and distribution expenses increased by 19.4% from RMB28.4 million for the nine months ended September 30, 2023 to RMB33.9 million for the nine months ended September 30, 2024, primarily attributable to an increase in advertising and promotion expenses resulting from an increase in our operating scale and business exposure.

### *Administrative expenses*

Our administrative expenses increased by 7.3% from RMB14.1 million for the nine months ended September 30, 2023 to RMB15.2 million for the nine months ended September 30, 2024, primarily attributable to (i) an increase in [REDACTED], partially offset by (ii) a decrease in salary expenses resulting from the departure of a senior management and (iii) reduced office expenses.

### *Research and development expenses*

Our research and development expenses increased by 108.8% from RMB7.9 million for the nine months ended September 30, 2023 to RMB16.5 million for the nine months ended September 30, 2024, primarily attributable to an increase in technical service fees of RMB8.3 million resulting from initiation of our MaaS development projects, which mainly include the data cleansing services provided by third parties for converting data into validated datasets used in model training.

### *Finance costs*

Our finance costs increased by 21.5% from RMB5.1 million for the nine months ended September 30, 2023 to RMB6.2 million for the nine months ended September 30, 2024, primarily attributable to an increase in interest on puttable shares liabilities following the issuance of contingently redeemable preferred shares to an investor upon the completion of a capital increase in January 2024.

### *Income tax*

We recorded income tax credit of RMB0.1 million and RMB0.4 million for the nine months ended September 30, 2023 and 2024, respectively.

### *Loss for the period*

As a result of the foregoing, our loss for the period increased by 5.8% from RMB14.7 million for the nine months ended September 30, 2023 to RMB15.6 million for the nine months ended September 30, 2024, representing net loss margin of 3.2% and 2.5% for the respective periods.

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### Year ended December 31, 2023 compared to year ended December 31, 2022

#### *Revenue*

Our total revenue increased by 63.1% from RMB404.5 million in 2022 to RMB659.9 million in 2023, mainly due to the increase in revenue generated from our risk management financial services, intelligent marketing and digitalization solutions and TPA services.

Our revenue generated from risk management financial services increased by 72.1% from RMB311.4 million in 2022 to RMB535.9 million in 2023, primarily attributable to the increased commission income generated from insurance companies driven by the increase in GWP for the delivery of insurance products underwritten by them. In particular, the commission income attributable to our inclusive finance ecosystem, increased from RMB8.2 million in 2022 to RMB141.8 million in 2023. This growth was attributed to our delayed payment insurance that commenced in July 2023, which subsequently became our highest revenue generating product in 2023.

Our revenue generated from intelligent marketing and digitalization solutions increased by 33.1% from RMB86.9 million in 2022 to RMB115.7 million in 2023 mainly due to as a result of the increase in the number of our projects from 54 to 73 during the respective years.

Our revenue generated from TPA services increased by 33.2% from RMB6.2 million in 2022 to RMB8.3 million in 2023 mainly due to an increase in number of our TPA engagements.

#### *Cost of revenue*

Our cost of revenue increased by 63.8% from RMB371.0 million in 2022 to RMB607.9 million in 2023, primarily attributable to the increase in referral fees to scenario-based partners as we expanded our reach to more scenarios and end insureds, which was in line with our revenue growth in risk management financial services during 2023.

#### *Gross profit and gross profit margin*

Our overall gross profit increased by 55.3% from RMB33.5 million in 2022 to RMB52.1 million in 2023 mainly due to the increase in gross profit of our risk management financial services from RMB31.2 million to RMB49.0 million in the respective years.

Our overall gross profit margin decreased from 8.3% in 2022 to 7.9% in 2023, mainly due to the decrease in gross profit margin for our risk management financial services and intelligent marketing and digitalization solutions.



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The decrease in the gross profit margin of our risk management financial services was mainly attributable to our ongoing expansion into additional scenarios, where we generally adopt a more aggressive approach to pricing our referral fees shared with our channel partners in new scenarios to enhance market penetration. However, we continue to mature in markets and scenarios we have explored, which would positively influenced our bargaining position with both insurance companies and scenario-based partners in the future.

The gross profit margin of our intelligent marketing and digitalization solutions decreased from 1.8% in 2022 to 0.8% in 2023. Following the completion of certain projects, insurance companies of those projects were more inclined to transition to engaging us for risk management financial services, encompassing more comprehensive services rather than solely intelligent marketing solutions, contributing to our higher overall gross profit margin in 2023.

### *Other income and gains*

Our other income and gains increased by 211.9% from RMB4.6 million in 2022 to RMB14.5 million in 2023 as our Group received an one-off reward of RMB3.0 million granted by Xiamen Municipal Government Office for recognizing our Group’s contribution to Xiamen’s investment promotion in 2023 which was absent in 2022. Upon the execution of shareholders’ agreement following series B financing, the agreed return rate payable by the Company for previously issued contingently redeemable preferred shares upon exercise of repurchase right was reduced, we therefore recognized a gain on modification of puttable shares liabilities. Additionally, there was an increase in interest income from bank deposits resulting from an increase in bank balances.

### *Allowance for impairment loss on financial assets, net*

We recorded allowance for impairment loss on financial assets of RMB1.3 million and RMB1.7 million in 2022 and 2023, respectively.

### *Selling and distribution expenses*

Our selling and distribution expenses increased by 42.0% from RMB28.8 million in 2022 to RMB40.9 million in 2023, primarily attributable to an increase in advertising and promotion expenses resulting from an increase in our operating scale and business exposure.

### *Administrative expenses*

Our administrative expenses increased by 34.9% from RMB13.8 million in 2022 to RMB18.6 million in 2023, primarily attributable to (i) higher salary expenses due to additional senior management personnel following our internal human resource restructuring, (ii) increased share-based payments following our grant of employee share awards under our Equity Incentive Scheme in early 2023, and (iii) increased depreciation and amortization as our Group purchased a motor vehicle and entered into new office leases in 2023.

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## FINANCIAL INFORMATION

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### *Research and development expenses*

Our research and development expenses increased by 11.4% from RMB14.1 million in 2022 to RMB15.7 million in 2023, primarily attributable to an increase in staff costs and technical service fees to support the development of new R&D projects.

### *Finance costs*

Our finance costs increased by 24.7% from RMB5.5 million in 2022 to RMB6.9 million in 2023, primarily attributable to an increase in interest on puttable shares liabilities following the issuance of contingently redeemable preferred shares in May 2022 upon completion of an equity transfer agreement between certain Shareholders and the Company.

### *Income tax*

We recorded income tax credit of RMB0.3 million and RMB0.1 million in 2022 and 2023, respectively.

### *Loss for the year*

As a result of the foregoing, our loss for the year decreased by 31.5% from RMB25.1 million in 2022 to RMB17.2 million in 2023. Our net loss margin decreased from 6.2% in 2022 to 2.6% in 2023.

## FINANCIAL INFORMATION

### DESCRIPTION OF CERTAIN ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth the components of our consolidated statements of financial position as of the dates indicated:

	As of December 31,		As of
	2022	2023	September 30,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment . . . . .	512	1,570	2,121
Right-of-use assets . . . . .	3,966	4,238	2,871
Intangible assets . . . . .	10,537	10,541	10,524
Deposits, prepayments and other receivables . . . . .	330	497	182
Restricted cash . . . . .	5,000	5,000	5,000
Deferred tax assets . . . . .	877	1,043	1,421
<b>Total non-current assets</b> . . . . .	<u>21,222</u>	<u>22,889</u>	<u>22,119</u>
<b>Current assets</b>			
Trade receivables . . . . .	87,499	93,802	75,008
Deposits, prepayments and other receivables . . . . .	25,564	16,141	11,418
Current tax assets . . . . .	–	–	72
Restricted cash . . . . .	2,456	3,493	5,621
Bank and cash balances . . . . .	30,937	50,114	59,455
<b>Total current assets</b> . . . . .	<u>146,456</u>	<u>163,550</u>	<u>151,574</u>
<b>Non-current liabilities</b>			
Lease liabilities . . . . .	3,203	2,750	1,138
Puttable shares liabilities . . . . .	51,651	52,981	74,196
<b>Total non-current liabilities</b> . . . . .	<u>54,854</u>	<u>55,731</u>	<u>75,334</u>
<b>Current liabilities</b>			
Trade and other payables . . . . .	111,936	137,106	113,389
Lease liabilities . . . . .	2,619	2,264	2,418
Borrowings . . . . .	–	–	5,000
Current tax liabilities . . . . .	184	43	–
<b>Total current liabilities</b> . . . . .	<u>114,739</u>	<u>139,413</u>	<u>120,807</u>
<b>NET LIABILITIES</b> . . . . .	<u>(1,915)</u>	<u>(8,705)</u>	<u>(22,448)</u>
<b>Equity</b>			
Share capital . . . . .	58,941	59,492	59,492
Other reserves . . . . .	(60,856)	(68,197)	(81,940)
<b>Total deficit attributable to owners of the Company</b> . . . . .	<u>(1,915)</u>	<u>(8,705)</u>	<u>(22,448)</u>

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## FINANCIAL INFORMATION

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As of December 31, 2022, 2023 and September 30, 2024, we recorded net liabilities of RMB1.9 million, RMB8.7 million and RMB22.4 million, respectively. The net liabilities during the Track Record Period were primarily due to our puttable shares liabilities, representing the contingently redeemable preferred shares issued to investors, which amounted to RMB51.7 million, RMB53.0 million and RMB74.2 million as of December 31, 2022, 2023 and September 30, 2024, respectively. Our puttable shares liabilities did not affect our profitability of regular business operations, working capital sufficiency and operating cash flow during the Track Record Period. Furthermore, our puttable shares liabilities will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares and our position of net liabilities would turn into net assets upon the [REDACTED].

We and our Directors believe that we have sufficient working capital to meet our present requirements and for the next 12 months following the date of this document because we had achieved quicker settlement during the Track Record Period, as evidenced by the fact that our trade receivables turnover days decreased from 57.9 days in 2022 to 50.1 days in 2023, and were 36.6 days for the nine months ended September 30, 2024. We plan to further improve our working capital and liquidity position through [REDACTED] from [REDACTED]. We will consider and ensure our working capital sufficiency before implementing any expansion plan. Based on the written confirmation from the Company in respect of working capital sufficiency, the review of Accountants’ Report and the indebtedness statement of the Company, the conducting of financial due diligence on the historical financial information of our Group during the Track Record Period, the review of the relevant terms in relation to the contingently redeemable preferred shares and the discussion with our Directors, taking into account the working capital statement and memorandum on working capital forecast as well as the Company’s cash and cash equivalents, our Group’s plan on improving its working capital and liquidity position as stated above, and the [REDACTED] from the [REDACTED], the Joint Sponsors concur with our Company’s and the Directors’ view.

### **Property, plant and equipment**

As of December 31, 2022 and 2023 and September 30, 2024, our property, plant and equipment were RMB0.5 million, RMB1.6 million and RMB2.1 million, respectively, primarily representing (i) leasehold improvements, (ii) motor vehicles, (iii) furniture, fixtures and office equipment, and (iv) computer, which were procured to support our daily operation.

### **Intangible assets**

Our intangible assets mainly consist of (i) insurance brokerage license, and (ii) software for supporting daily operation as an insurance intermediary.

As of December 31, 2022 and 2023 and September 30, 2024, our intangible assets remained stable at RMB10.5 million.

## FINANCIAL INFORMATION

### Trade receivables

Our trade receivables comprised primarily commissions receivable from insurance company partners for the risk management financial services we provided and service fees receivable from enterprises for intelligent marketing and digitalization solutions we provided.

The following table sets forth the breakdown of our trade receivables as of the dates indicated:

	As of December 31,		As of September 30,
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Trade receivables</b> . . . . .	89,149	97,195	80,005
Less: Allowance for impairment loss . . .	<u>(1,650)</u>	<u>(3,393)</u>	<u>(4,997)</u>
	<u>87,499</u>	<u>93,802</u>	<u>75,008</u>

Our net trade receivables increased from RMB87.5 million as of December 31, 2022 to RMB93.8 million as of December 31, 2023 mainly due to our overall business growth. Our net trade receivables decreased to RMB75.0 million as of September 30, 2024, mainly attributable to (i) the improvement on the settlement procedures of certain projects providing risk management services, and (ii) aging of two projects of intelligent marketing and digitalization solutions being recognized as impaired. Such aging trade receivables were subsequently fully settled by end of 2024.

The payment terms are stipulated in relevant contracts. Our Group’s trading terms with our customers are mainly on credit, with credit periods generally ranging from 30 to 60 days. Our Group seeks to maintain strict control over our outstanding receivables. Overdue balances are reviewed regularly by the Directors. Our Group does not hold any collateral or other credit enhancements over our trade receivables balances. Trade receivables are non-interest-bearing.

The following table sets forth the aging analysis of our trade receivables based on the invoice date as of the dates indicated:

	As of December 31,		As of September 30,
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Within 90 days</b> . . . . .	86,870	91,942	66,833
<b>91 to 180 days</b> . . . . .	55	185	3,856
<b>181 to 365 days</b> . . . . .	190	1,581	4,319
<b>Over 365 days</b> . . . . .	384	94	—
	<u>87,499</u>	<u>93,802</u>	<u>75,008</u>

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The following table sets forth a summary of trade receivables turnover days for the years/period indicated:

	For the year ended December 31,		For the nine months ended September 30,
	2022	2023	2024
Trade receivables turnover days <sup>(Note)</sup> . . . . .	57.9 days	50.1 days	36.6 days

*Note:* Trade receivables turnover days is calculated as the arithmetic mean of the opening and closing balances of trade receivables (after impairment) by our total revenue in the respective year/period and multiplying by the number of days in the relevant year/period.

Our trade receivables turnover days decreased from 57.9 days for the year ended December 31, 2022 to 50.1 days for the year ended December 31, 2023, and further to 36.6 days for the nine months ended September 30, 2024, which was general in line with our credit policy.

As of January 31, 2025, RMB67.6 million or 84.5% of our trade receivables outstanding as of September 30, 2024 were settled.

### Deposits, prepayments and other receivables

Our deposits, prepayments and other receivables mainly represented, prepayments and value-added tax recoverable.

The following table sets forth the breakdown of our deposits, prepayments and other receivables as of the dates indicated:

	As of December 31,		As of September 30,
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Rental deposits . . . . .	618	502	475
Other receivables . . . . .	1,187	1,152	1,151
Capital injection receivable from investors . . . . .	9,000	—	—
Prepayments to suppliers . . . . .	11,210	11,655	8,482
Prepayments for [REDACTED] . . . . .	[REDACTED]	[REDACTED]	[REDACTED]
Value-added tax recoverable . . . . .	3,796	3,160	545
Others . . . . .	83	169	176
	25,894	16,638	11,600

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Our deposits, prepayments and other receivables decreased from RMB25.9 million as of December 31, 2022 to RMB16.6 million as of December 31, 2023, following the receipt of considerations for capital injection from an investor. It further decreased to RMB11.6 million as of September 30, 2024, primarily due to a decrease in prepayments to suppliers and value-added tax recoverable.

### Trade and other payables

Our trade and other payables increased from RMB111.9 million as of December 31, 2022 to RMB137.1 million as of December 31, 2023 and decreased to RMB113.4 million as of September 30, 2024.

Our trade payables mainly represented referral fees payable to our channel partners, commissions payable to individual insurance brokers, technical service fees payable to suppliers and others.

The following table sets forth our trade payables as of the dates indicated:

	As of December 31,		As of September 30,
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables due to third parties . . . .	<u>101,079</u>	<u>124,967</u>	<u>98,680</u>

The following table sets forth the aging analysis of our trade payables based on the invoice date as of the dates indicated:

	As of December 31,		As of September 30,
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days . . . . .	98,437	116,847	85,486
91 to 180 days . . . . .	372	659	5,225
181 to 365 days . . . . .	486	3,714	5,001
Over 365 days . . . . .	<u>1,784</u>	<u>3,747</u>	<u>2,968</u>
	<u>101,079</u>	<u>124,967</u>	<u>98,680</u>

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The following table sets forth a summary of trade payables turnover days for the years/period indicated:

	For the year ended December 31,		For the nine months ended September 30,
	2022	2023	2024
Trade payables turnover days <sup>(Note)</sup> . . . . .	69.9 days	67.9 days	52.8 days

*Note:* Trade payables turnover days is calculated as the arithmetic mean of the opening and closing balances of trade payables by our total cost of revenue in the respective year/period and multiplying by the number of days in the relevant year/period.

Trade payables are non-interest bearing and are normally settled within one to three months.

Our trade payables turnover days were 69.9 days, 67.9 days and 52.8 days for the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, respectively, which were in line with our normal settlement days.

As of January 31, 2025, RMB73.2 million or 74.1% of our trade payables outstanding as of September 30, 2024 were settled.

Our other payables primarily comprise (i) insurance premium payable on behalf of insurance policy holders; (ii) salaries and welfare payables; (iii) tax surcharge payables; and (iv) other payables.

The following table sets forth the breakdown of our other payables as of the dates indicated:

	December 31,		September 30,
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Insurance premium payable on behalf of insurance policy holders. . . . .	2,456	3,493	5,621
Salaries and welfare payables . . . . .	909	916	964
Amount due to a shareholder. . . . .	1,000	–	–
Accruals and payables for research and development expenses . . . . .	5,038	6,594	3,299
Accruals and payables for [REDACTED]. . . . .	[REDACTED]	[REDACTED]	[REDACTED]
Other payables. . . . .	1,454	1,136	1,229
	10,857	12,139	14,709



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Our other payables increase from RMB10.9 million as of December 31, 2022 to RMB12.1 million as of December 31, 2023, and further to RMB14.7 million as of September 30, 2024. The increasing trend between December 31, 2022 and September 30, 2024 was mainly due to the increase in [REDACTED] payable and the increase in insurance premium payable on behalf of insurance policy holders, which represents the insurance premiums we collect on behalf of insurance companies, driven by a growth in our risk management financial services.

### LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we have funded our operations primarily through capital injection from shareholders and cash from operations. The following table summarizes for the years/periods indicated, our consolidated statements of cash flows:

	For the year ended December 31,		For the nine months ended September 30,	
	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(unaudited)</i>	
<b>Cash (used in)/generated from operations . . . . .</b>	(9,268)	6,230	1,904	(13,146)
Income tax paid . . . . .	(48)	(192)	(191)	(140)
<b>Net cash (used in)/generated from operating activities . . . . .</b>	<u>(9,316)</u>	<u>6,038</u>	<u>1,713</u>	<u>(13,286)</u>
<b>Net cash generated from/(used in) investing activities . . . . .</b>	<u>384</u>	<u>4,542</u>	<u>(5,683)</u>	<u>(24,652)</u>
<b>Net cash generated from financing activities . . . . .</b>	<u>14,980</u>	<u>13,647</u>	<u>14,347</u>	<u>22,279</u>
<b>Net increase/(decrease) in cash and cash equivalents . . . . .</b>	6,048	24,227	10,377	(15,659)
<b>Cash and cash equivalents at the beginning of the year/period . . . . .</b>	<u>9,839</u>	<u>15,887</u>	<u>15,887</u>	<u>40,114</u>
<b>Cash and cash equivalents at the end of the year/period . . . . .</b>	<u>15,887</u>	<u>40,114</u>	<u>26,264</u>	<u>24,455</u>

#### Net cash (used in)/generated from operating activities

During the Track Record Period, our cash inflow from operating activities was principally from the receipt of revenue from the provision of our risk management financial services, intelligent marketing and digitalization solutions and TPA services. Our cash outflow used in operating activities was principally for referral fees and commissions, service fees, wages and salaries paid to our staff and other operating expenses.

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## FINANCIAL INFORMATION

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For the nine months ended September 30, 2024, our Group had net cash used in operating activities of RMB13.3 million. During the period, our operating cash outflows before working capital changes were RMB9.5 million. Our cash flow was negatively affected by working capital adjustments primarily including (i) a decrease in trade and other payables of RMB23.7 million, which was partially offset by (ii) a decrease in trade receivables of RMB17.2 million, and (iii) a decrease in deposits, prepayments and other receivables of RMB5.0 million.

For the year ended December 31, 2023, our Group had net cash generated from operating activities of RMB6.0 million. During the year our operating cash outflows before working capital changes were RMB10.0 million. Our cash flow was positively affected by working capital adjustments primarily including (i) an increase in trade and other payables of RMB24.9 million, which was partially offset by (ii) an increase in trade receivables of RMB8.0 million, and (iii) an increase in restricted cash of RMB1.0 million.

For the year ended December 31, 2022, our Group had net cash used in operating activities of RMB9.3 million. During the year our operating cash outflows before working capital changes were RMB16.6 million. Our cash flow was positively affected by working capital adjustments primarily including (i) an increase in trade and other payables of RMB68.5 million, which was partially offset by (ii) an increase in trade receivables of RMB48.0 million, and (iii) an increase in deposits, prepayments and other receivables of RMB11.7 million.

### **Net cash generated from/(used in) investing activities**

During the Track Record Period, our cash inflow from investing activities was principally from withdrawal of time deposits and receipt of interest. Our cash outflow used in investing activities was principally for placement of time deposits and purchases of property, plant and equipment.

For the nine months ended September 30, 2024, our Group had net cash used investing activities of RMB24.7 million, primarily attributable to (i) the placement of time deposits of RMB40.0 million, partially offset by (ii) the withdrawal of time deposits of RMB15.0 million.

For the year ended December 31, 2023, our Group had net cash generated from investing activities of RMB4.5 million, primarily attributable to (i) the withdrawal of time deposits of RMB25.1 million, partially offset by (ii) the placement of time deposits of RMB20.0 million.

For the year ended December 31, 2022, our Group had net cash generated from investing activities of RMB0.4 million, primarily attributable to (i) the withdrawal of time deposits of RMB15.0 million, and (ii) receipt of interest of RMB0.5 million, partially offset by (iii) the placement of time deposits of RMB15.1 million.

### **Net cash generated from financing activities**

During the Track Record Period, our cash inflow from financing activities was principally from capital injection by our shareholders. Our cash outflow used in financing activities was principally for repayment of borrowings and lease liabilities.

## FINANCIAL INFORMATION

For the nine months ended September 30, 2024, our Group had net cash flows generated from financing activities of RMB22.3 million, primarily attributable to (i) the capital injection from our shareholders of RMB19.3 million, and (ii) proceeds from borrowings of RMB5.0 million, partially offset by (iii) the repayment of lease liabilities of RMB1.9 million.

For the year ended December 31, 2023, our Group had net cash flows generated from financing activities of RMB13.6 million, primarily attributable to (i) the capital injection from our shareholders of RMB17.0 million, partially offset by (ii) the repayment of lease liabilities of RMB3.4 million.

For the year ended December 31, 2022, our Group had net cash flows generated from financing activities of RMB15.0 million, primarily attributable to (i) the capital injection from our shareholders of RMB19.8 million, partially offset by (ii) the repayment of borrowings of RMB3.0 million, and (iii) the repayment lease liabilities of RMB1.8 million.

### NET CURRENT ASSETS/(LIABILITIES)

The following table sets forth our current assets and current liabilities as of the dates indicated, respectively:

	As of December 31,		As of	As of
	2022	2023	September 30,	January 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>
<b>Current assets</b>				
Trade receivables . . . . .	87,499	93,802	75,008	80,003
Deposits, prepayments and other receivables . . . . .	25,564	16,141	11,418	11,461
Current tax assets . . . . .	–	–	72	–
Restricted cash . . . . .	2,456	3,493	5,621	6,078
Bank and cash balances . . . . .	30,937	50,114	59,455	85,044
<b>Total current assets</b> . . . . .	<u>146,456</u>	<u>163,550</u>	<u>151,574</u>	<u>182,586</u>
<b>Current liabilities</b>				
Trade and other payables . . . . .	111,936	137,106	113,389	119,676
Lease liabilities . . . . .	2,619	2,264	2,418	1,870
Borrowings . . . . .	–	–	5,000	5,000
Current tax liabilities . . . . .	184	43	–	40
Puttable shares liabilities . . . . .	–	–	–	60,145
<b>Total current liabilities</b> . . . . .	<u>114,739</u>	<u>139,413</u>	<u>120,807</u>	<u>186,731</u>
<b>Net current assets/(liabilities)</b> .	<u>31,717</u>	<u>24,137</u>	<u>30,767</u>	<u>(4,145)</u>

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## FINANCIAL INFORMATION

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Our current assets mainly represented trade receivables, deposits, prepayments and other receivables and restricted cash and bank and cash balances. Our current liabilities mainly represented trade and other payables, lease liabilities, borrowings, current tax liabilities and puttable shares liabilities.

Our net current assets increased from RMB24.1 million as of December 31, 2023 to RMB30.8 million as of September 30, 2024 primarily due to (i) an increase in bank and cash balances, and (ii) a decrease in trade and other payables, partially offset by (iii) a decrease in trade receivables, (iv) a decrease in deposits, prepayments and other receivables, and (v) an increase in borrowings.

Our net current assets decreased from RMB31.7 million as of December 31, 2022 to RMB24.1 million as of December 31, 2023 primarily due to (i) an increase in trade and other payables; and (ii) an decrease in deposits, prepayments and other receivables; partially offset by (iii) an increase in bank and cash balances; (iv) an increase in trade receivables.

### WORKING CAPITAL SUFFICIENCY

Our Directors confirm that, taking into consideration of the financial resources presently available to us, which is primarily our internal resources and the estimated [REDACTED] from the [REDACTED], we have sufficient working capital for our present requirements and for at least the next 12 months commencing from the date of this document.

Our Directors are not aware of any other factors that would have a material impact on our Group’s liquidity. For more details on the funds necessary to meet our existing operations and to fund our future plans, please refer to the section headed “Future Plans and [REDACTED]” in the document.

### CAPITAL EXPENDITURES

During the Track Record Period, our Group incurred capital expenditures of RMB0.1 million, RMB4.5 million and RMB1.2 million for the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024, respectively, majority of which are related to the purchase of fixed assets, intangible assets and right-of-use assets for leased offices.

### CONTRACTUAL AND CAPITAL COMMITMENTS

As of December 31, 2022 and 2023 and September 30, 2024, our Group did not have any significant contractual and capital commitments. During the Track Record Period, there was no material change to our indebtedness and capital commitments.

## FINANCIAL INFORMATION

### INDEBTEDNESS

#### Statement of indebtedness

Our indebtedness during the Track Record Period consisted primarily of lease liabilities and borrowings. The following table sets out a breakdown of our indebtedness as of December 31, 2022 and 2023, September 30, 2024 and January 31, 2025, being the latest practicable date for the purpose of this statement of indebtedness in this document.

	As of December 31,		As of September 30,	As of January 31,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>
<b>Non-current</b>				
Lease liabilities . . . . .	3,203	2,750	1,138	1,073
Puttable shares liabilities . . .	51,651	52,981	74,196	35,993
	54,854	55,731	75,334	37,066
<b>Current liabilities</b>				
Lease liabilities . . . . .	2,619	2,264	2,418	1,870
Borrowings . . . . .	–	–	5,000	5,000
Puttable shares liabilities . . .	–	–	–	60,145
	2,619	2,264	7,418	67,015
<b>Total . . . . .</b>	<b>57,473</b>	<b>57,995</b>	<b>82,752</b>	<b>104,081</b>

#### Bank borrowings

Our bank borrowings amounted to RMB5.0 million and RMB5.0 million as of September 30, 2024 and January 31, 2025, respectively.

Our bank borrowings agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. Our Group did not have unutilized bank facility as of the Latest Practicable Date.

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## FINANCIAL INFORMATION

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### Puttable shares liabilities

Our puttable shares liabilities represent the financial instruments issued to certain pre-[REDACTED] Investors in connection with the pre-[REDACTED] investments. During the Track Record Period, we recognized puttable shares liabilities as financial liabilities because they were granted preferential redemption rights, many of which are beyond our control. As of December 31, 2022, December 31, 2023, September 30, 2024 and January 31, 2025, we recorded puttable shares liabilities issued to investors of RMB51.7 million, RMB53.0 million, RMB74.2 million and RMB96.1 million, respectively. Upon the [REDACTED], the preferential rights will automatically expire, and the financial instruments will be derecognized and reclassified from liabilities to equity.

For further information, please refer to Note 29 in the Accountants’ Report included in Appendix I of this document and the paragraph headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments” in this document.

### Lease liabilities

Our lease liabilities mainly represent the lease payment obligations during the lease terms in relation to our leased properties that are mainly used as our offices. We recorded lease liabilities of approximately RMB5.8 million, RMB5.0 million, RMB3.6 million and RMB2.9 million as of December 31, 2022 and 2023, September 30, 2024 and January 31, 2025, respectively. The decrease in lease liabilities during the Track Record Period and up to January 31, 2025 was mainly due to settlement of office rents.

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Our Directors confirm that there has not been any material change in our indebtedness since the Latest Practicable Date up to the date of this document.

### Contingent liabilities

As of January 31, 2025, being the latest practicable date for the purpose of the indebtedness statement, we did not have any material contingent liabilities.

## FINANCIAL INFORMATION

### KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods/as of the dates indicated:

	For the year ended/As of December 31,		For the nine months ended/As of September 30,
	2022	2023	2024
Gross profit margin <sup>(1)</sup> . . . . .	8.3%	7.9%	8.0%
Net loss margin <sup>(2)</sup> . . . . .	(6.2)%	(2.6)%	(2.5)%
Adjusted net loss margin (non-HKFRS measure) <sup>(3)</sup> . . . . .	(4.9)%	(2.0)%	(1.4)%
Current ratio <sup>(4)</sup> . . . . .	1.28	1.17	1.25
Gearing ratio <sup>(5)</sup> . . . . .	–	–	(0.22)
Revenue growth . . . . .	N/A	63.1%	39.0%

*Notes:*

- (1) Gross profit margin equals gross profit divided by revenue for the respective year/period.
- (2) Net loss margin equals net loss divided by revenue for the respective year/period.
- (3) Net loss margin (non-HKFRS measure) equals net loss (non-HKFRS measure) divided by revenue for the respective year/period.
- (4) Current ratio equals total current assets divided by the total current liabilities as of the respective year end.
- (5) Gearing ratio equals total borrowings divided by the total deficit attributable to owners of the Company as of the respective year end.

### QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to market risks from changes in market, such as credit risk, liquidity risk and currency risk.

#### Credit risk

Our Group’s credit risk is primarily attributable to trade receivables. Our Group’s exposure to credit risk arising from bank and cash balances is limited because the counterparties are banks and financial institutions, of which our Group considers to have low credit risk.

For more details on the credit quality and the credit risk we are exposed, please refer to note 6 to the section headed “Appendix I — Accountants’ Report” in this document.

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## FINANCIAL INFORMATION

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### Liquidity risk

Our Group’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient cash to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our Group’s reputation. Our Group’s policy is to regularly monitor current and expected liquidity requirements, and to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

For more details on the maturity profile of our financial liabilities, please refer to note 6 to the section headed “Appendix I — Accountants’ Report” in this document.

### Currency Risk

The functional currency of our subsidiaries is RMB. Our operating activities are carried out in the PRC with most of the transactions denominated in RMB. We consider the risk of movements in exchange rates to be insignificant.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED], the total estimated [REDACTED] in connection with the [REDACTED] (including [REDACTED]) are estimated to be HK\$[REDACTED] (equivalent to approximately RMB[REDACTED] representing approximately [REDACTED]% of the estimated gross [REDACTED] from the [REDACTED]). The [REDACTED] include (i) [REDACTED] of approximately HK\$[REDACTED], and (ii) [REDACTED] related expenses of approximately HK\$[REDACTED], which consist of fees and expenses of the legal advisors and reporting accountants of our Company of approximately HK\$ [REDACTED] and other fees and expenses of approximately HK\$[REDACTED].

During the Track Record Period, we incurred [REDACTED] of RMB3.7 million of which RMB[REDACTED] was charged to consolidated statements of profit or loss and comprehensive income and the remaining amount of RMB[REDACTED] will be accounted for as a deduction from equity upon successful [REDACTED] under the relevant accounting standards. We expect to further incur [REDACTED] of RMB[REDACTED] by the completion of the [REDACTED], of which an estimated amount of RMB[REDACTED] will be charged to consolidated statements of profit or loss and comprehensive income and RMB[REDACTED] will be accounted for as a deduction from equity upon successful [REDACTED]. The [REDACTED] above are the best estimate as of the Latest Practicable Date and for reference only and the actual amount may differ from this estimate.



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## FINANCIAL INFORMATION

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### DIVIDENDS

We do not have any fixed dividend policy nor pre-determined dividend payout ratio. No dividends had been declared during the Track Record Period and up to the Latest Practicable Date. According to our dividend policy, the Articles of Association and applicable laws and regulations, any future plan of declarations and payments of dividends will be formulated by our Directors and determined by our Shareholders, and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors and Shareholders consider relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. According to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

### DISTRIBUTABLE RESERVES

As of September 30, 2024, our Group had did not have any distributable reserves.

### OFF-BALANCE SHEET ARRANGEMENT

During the Track Record Period, we did not have any material off-balance sheet arrangements or any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support for us. As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

### RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. Our Directors confirm that the related party transactions set out in Note 36 to the Accountants’ Report in Appendix I to this document were conducted in the ordinary course of business on arm’s length basis and with reference to the normal commercial terms of each party. Our Directors also consider that our related party transactions during the Track Record Period would not affect our results during such period, and would not make our historical results not reflective of our future performance.

### UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

For more details, please refer to the section headed “Appendix II — Unaudited [REDACTED] Financial information” in this document.

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## FINANCIAL INFORMATION

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### NO MATERIAL AND ADVERSE CHANGE

Our Directors have confirmed, after due and careful consideration, that as of the date of this document, there has been no material adverse change in our financial or trading position or prospects of our Group since September 30, 2024, and there is no event since September 30, 2024 that would materially and adversely affect the information shown in the Accountants’ Report set out in Appendix I to this document.

### DISCLOSURE PURSUANT TO RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

### RECENT DEVELOPMENTS

For more details on recent developments of our Group, please refer to the sections headed “Summary — Recent Developments” and note 37 to “Appendix I — Accountants’ Report” in this document.

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## FUTURE PLANS AND [REDACTED]

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### FUTURE PLANS

Please refer to the section headed “Business — Our Strategies” for a detailed description of our future plans.

[REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the [REDACTED] stated in this document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the net [REDACTED] and assuming that the [REDACTED] are not exercised. We intend to use the net [REDACTED] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- Approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used to invest in research and development of our solutions and services, recruiting and retaining relevant R&D talents and improving basic infrastructure. The breakdown of the intended use of net [REDACTED] is set out below:
  - approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used to upgrade our technology basic infrastructure, such as optimizing computing power and enhancing the flexibility of resource deployment, through procuring highly efficient computing servers, cloud services, cutting-edged hardware and software. We plan to procure cloud services, leveraging the elastic scaling capabilities of cloud computing to optimize computing resource deployment, facilitating efficient data processing and analysis during peak periods of our risk management financial services. We plan to consolidate our cloud backup solutions to ensure an efficient data storage environment for high frequency data demand, reducing the risk of data loss and improving our overall data governance and security posture. We plan to invest in implementing a digital-intelligent enterprise management system. Specifically, through a business-finance integration platform, we will strengthen financial data governance and the core order settlement module, unifying cross-departmental data standards and enabling real-time sharing of information flows. The system integrates operations, finance and business functions, complemented by mobile terminals that empower management and employees to access key metrics and handle tasks anytime, anywhere, achieving seamless collaboration across the entire business chain. To support business expansion, this upgrade will incorporate a multi-source system architecture. Leveraging automated data validation and multi-dimensional analysis, it will thoroughly extract operational data value to enhance decision-making precision and operational efficiency, ultimately empowering core competitiveness and sustainable development.

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## FUTURE PLANS AND [REDACTED]

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- approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used to strengthen and expand our cooperation with third-party data providers to enrich our information assets. We would procure different types of data in different ecosystems specifically for our respective solutions and services. For example, for our Credit Verification model, we would procure data relating to types of apps usage and property valuation, enabling us to have more precise insights about whether end consumers are in the blacklist. We plan to partner with a variety of data providers across different industries to build a comprehensive and multifaceted database, empowering us to capture a wider array of insights and enhancing our understanding of the overall ecosystem and end consumers’ profiles while ensuring strict compliance of data privacy.
- approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be invest in R&D of new solutions and services to consolidate our provision of risk management model services. We are in the process of developing our MaaS business, and we plan to equip our MaaS-backed models with more diverse data and AI models such as large language models to enhance functionalities and efficiency, achieving intelligent restructuring of risk management process.
- approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used to construct a centralized platform for integrating and managing big data resources. We plan to build a scalable infrastructure that can grow with our data needs, incorporating distributed storage systems or data lakehouse and integrating real-time processing tools for fast-moving datasets. We expect to develop a robust data governance framework, establishing policies for data quality, security and compliance to create a centralized framework for managing data assets.
- approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used to improve and upgrade the functionality and performance of our existing solutions and services. The investment will focus on enhancing our technological capabilities on data analysis and digitalization, optimizing user experience and ensuring that our offerings remain at the forefront of industry standards.
- approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used to consolidate a cybersecurity protection system. We plan to focus on integrating and enhancing our existing cybersecurity solutions to create a more robust and cohesive security framework. We plan to procure both hardware and software to upgrade our firewall systems and improve its capabilities in boundary security management, ensuring solid protection against external threats. We will also focus on enhancing our log audit systems to enhance log collection and analysis capabilities, enabling more effective monitoring and response to security incidents.

For the following four and a half years, to support the foregoing use of [REDACTED], we expect to hire around 71 R&D talents with positions, such as product managers, technical developers and cybersecurity engineers, to develop new solutions and services, construct centralized platforms, upgrade our current solutions and services and consolidate a cybersecurity protection system.

## FUTURE PLANS AND [REDACTED]

The following table sets forth a breakdown of estimated spending from net [REDACTED] on research and development of our digital risk management solutions and technology infrastructure for the periods indicated:

	Expected periods of allocation of Net [REDACTED]					Total
	For the first half year upon [REDACTED]	For the year ended December 31,				
	2026	2027	2028	2029	[REDACTED]	
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Upgrading our technology basic infrastructure . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Strengthening and expanding our cooperation with third-party data providers . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
R&D of new solutions and services . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Constructing a centralized platform for integrating and managing big data resources . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Improving and upgrading our current solutions and services . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Consolidating a cybersecurity protection system . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- Approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used for pursuing acquisition and investment opportunities of target companies in the same industry or upstream and/or downstream ecosystem partners to further accelerate the development of our business and strengthen our competitiveness. This initiative aims to accelerate our business expansion, strengthen our market competitiveness and reinforce our frontier position in digital risk management solutions. Through these acquisitions and investments, we seek to expand our geographic footprint, enhance brand awareness and further consolidate our digital capabilities. Our acquisition and investment strategy will be centered around AI-driven solutions and advanced data processing technologies, which are fundamental to our digital risk management solutions. We intend to target technology companies specializing in big data analytics, machine learning, cybersecurity and other complementary digital solutions to enhance our technological foundation and

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## FUTURE PLANS AND [REDACTED]

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drive innovation. By integrating cutting-edge technologies from acquired companies, we aim to elevate our service offerings, improve operational efficiency, and provide more comprehensive digital risk management solutions to ecosystem. When selecting target companies, we will consider various criteria, including (i) their potential synergies with or complement to our existing business; (ii) R&D capabilities in technologies relevant to our existing business; (iii) past operating results, financial performance and growth potentials; and (iv) the background and experience of the management and talent teams.

- Approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used to expand branches in the PRC and overseas sales network. The breakdown of the intended use of net [REDACTED] is set out below:
  - approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used for strengthening and expanding our geographical coverage by gradually setting up [13] branches in the PRC, including [10] provincial-level branches, in provincial capital cities, such as Guangzhou and Chengdu, and also in cities with fast-growing digital risk management solutions market, such as Ningbo and Qingdao, to achieve a deeper market penetration in major provinces;
  - approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be allocated to enhance our global business exposure through market expansion. We plan to set up branches in Hong Kong and Singapore to expand our exposures overseas. There is a growing trend of innovative economic systems, such as sharing economy, real-time delivery and mobile payments, in Hong Kong and Singapore. We recognize the importance of these similarities and believe we can effectively seize emerging opportunities and establish a robust presence in these dynamic markets by replicating our current business models and adopting scalable strategies. We plan to invest proceeds in supporting various aspects of our expansion, including but not limited to, recruitment of local talent, leasing office spaces and executing targeted local marketing and promotional campaigns. By strategically allocating resources to these key areas, we aim to build a strong operational foundation, enhance brand awareness, and accelerate our business growth in these dynamic markets; and
  - approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used for branding and marketing activities to enhance our brand recognitions. For our brand construction, we plan to develop a comprehensive visual identity system that will effectively represent our values and mission by improving our online platforms, such as our official website and WeChat Official Accounts, ensuring an engaging and user-friendly experience. We plan to invest in high-quality commercials and promotional videos to elevate our brand awareness, showcasing our innovative solutions and the impact we have in the industry. In addition, we plan to focus on marketing and promotion through the organization and participation in various public events and promotional activities, such as hosting key conferences, workshops, and

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## FUTURE PLANS AND [REDACTED]

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webinars that facilitate collaboration with industry partners and showcase our expertise. By engaging with our target audience in meaningful ways, we aim to build lasting relationships and enhance our visibility in the marketplace. We also plan to implement targeted advertising campaigns across various channels to reach potential ecosystem partners. As part of our expansion strategy, we plan to strengthen our exposure in Hong Kong and Singapore, tailoring our branding initiatives to resonate with local audiences through localized content creation, strategic partnerships and participation in regional trade shows and networking events. By leveraging both traditional and digital marketing strategies, we aim to create a cohesive brand presence that resonates with our ecosystem partners.

- Approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used to establish an R&D center and office building with in intelligent exhibition hall in addition to our own funds of approximately HK\$[REDACTED]. The R&D center will serve as a hub for technological innovation, focusing on the development of cutting-edge risk management solutions that integrate big data analytics and cloud computing. We plan to house dedicated research labs, collaboration spaces and advanced simulation facilities designed to enhance predictive modeling and scenario-based risk assessments. The R&D center will foster collaboration with industry experts, academic institutions and regulatory bodies to ensure our solutions remain at the forefront of market needs. In addition, we plan to display our risk management approach in our “9+N Ecosystems” in the intelligent exhibition hall by showing the full process of risk assessment, risk prevention and risk intervention. Visitors can interact with our exhibited items representing different scenarios to understand how we take a proactive approach to stimulate, identify and uncover the needs of risk management in scenarios and transform a traditional approach to provide a full-process coverage, which could strengthen their risk management awareness.
- Approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used for our general working capital and general corporate purpose to support our day-to-day business operations and growth.

In the event that the [REDACTED] is fixed below or above the mid-point of the indicative price range, the net [REDACTED] allocated to the above purposes will be adjusted on a pro rata basis. Any additional [REDACTED] received from the exercise of the [REDACTED] will be allocated to the above purposes on a pro rata basis.

In the event of any material change in our use of [REDACTED] of the [REDACTED] from the purposes described above or in our allocation of the net [REDACTED] among the purposes described above, a formal announcement will be made.

To the extent that the net [REDACTED] from the [REDACTED] are not immediately applied to the above purposes, we intend to deposit such net [REDACTED] into interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions in Hong Kong (as defined under the SFO) and the PRC (as defined under the PRC Laws).

**[REDACTED]**

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**[REDACTED]**



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## HOW TO APPLY FOR [REDACTED]

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## HOW TO APPLY FOR [REDACTED]

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[REDACTED]

## APPENDIX I

## ACCOUNTANTS’ REPORT OF THE GROUP

*The following is the text of a report set out on pages I-1 to I-56, received from the Company’s reporting accountants, RSM Hong Kong, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this investment circular.*

[Date]

### ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BAIGE ONLINE DIGITAL TECHNOLOGY CO., LIMITED, CMBC INTERNATIONAL CAPITAL LIMITED AND BOCI ASIA LIMITED

#### Introduction

We report on the historical financial information of Baige Online Digital Technology Co., Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-4 to I-56, which comprises the consolidated statements of financial position of the Group as at December 31, 2022, December 31, 2023 and September 30, 2024, the statements of financial position of the Company as at December 31, 2022, December 31, 2023 and September 30, 2024, and the consolidated statements of profit or loss and comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the periods then ended (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-4 to I-56 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the “Investment Circular”) in connection with the initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

#### Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

#### Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

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## APPENDIX I

## ACCOUNTANTS’ REPORT OF THE GROUP

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Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Company’s financial position as at December 31, 2022, December 31, 2023, and September 30, 2024, the Group’s financial position as at December 31, 2022, December 31, 2023, and September 30, 2024 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

### **Review of stub period comparative financial information**

We have reviewed the stub period comparative financial information of the Group which comprises statements of consolidated profit or loss, comprehensive income, changes in equity and cash flows for the nine months ended September 30, 2023 and other explanatory information (the “Stub Period Comparative Financial Information”). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements *2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

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**APPENDIX I**

**ACCOUNTANTS' REPORT OF THE GROUP**

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**Report on matters under the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

*Adjustments*

In preparing the Historical Financial Information no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

*Dividends*

We refer to note 16 to the Historical Financial Information states that no dividends have been paid by the Company in respect of the Track Record Period.

*No statutory financial statements for the Company*

No financial statements have been prepared for the Company since its incorporation.

**RSM Hong Kong**

*Certified Public Accountants*

Hong Kong

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**APPENDIX I**

**ACCOUNTANTS’ REPORT OF THE GROUP**

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**HISTORICAL FINANCIAL INFORMATION OF THE GROUP**

**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by RSM Hong Kong in accordance with Hong Kong Standards on Auditing issued by the HKICPA (“Underlying Financial Statements”).

The Historical Financial Information is presented in RMB and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

**APPENDIX I**

**ACCOUNTANTS’ REPORT OF THE GROUP**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME**

	<i>Notes</i>	<b>Year ended December 31,</b>		<b>Nine months ended September 30,</b>	
		<b>2022</b>	<b>2023</b>	<b>2023</b>	<b>2024</b>
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(unaudited)</i>	<i>RMB’000</i>
Revenue . . . . .	7	404,524	659,902	454,187	631,191
Cost of revenue . . . . .		<u>(371,019)</u>	<u>(607,852)</u>	<u>(419,236)</u>	<u>(580,581)</u>
<b>Gross profit . . . . .</b>		33,505	52,050	34,951	50,610
Other income and gains . . . . .	8	4,637	14,463	7,787	6,822
Allowance for impairment loss on financial assets, net. . . . .		(1,285)	(1,743)	(2,050)	(1,604)
Selling and distribution expenses . . . . .		(28,798)	(40,883)	(28,364)	(33,857)
Administrative expenses . . . . .		(13,795)	(18,616)	(14,146)	(15,173)
Research and development expenses . . . . .		<u>(14,057)</u>	<u>(15,662)</u>	<u>(7,899)</u>	<u>(16,497)</u>
<b>Loss from operations . . . . .</b>		(19,793)	(10,391)	(9,721)	(9,699)
Finance costs . . . . .	10	<u>(5,536)</u>	<u>(6,904)</u>	<u>(5,129)</u>	<u>(6,231)</u>
<b>Loss before tax . . . . .</b>	12	(25,329)	(17,295)	(14,850)	(15,930)
Income tax credit . . . . .	11	<u>254</u>	<u>115</u>	<u>130</u>	<u>354</u>
<b>Loss for the year/period . . . . .</b>		<u>(25,075)</u>	<u>(17,180)</u>	<u>(14,720)</u>	<u>(15,576)</u>
<b>Loss and total comprehensive income for the year/period. . . . .</b>		<u>(25,075)</u>	<u>(17,180)</u>	<u>(14,720)</u>	<u>(15,576)</u>
<b>Basic and diluted loss per share (RMB) . . . . .</b>	17	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>



**APPENDIX I ACCOUNTANTS’ REPORT OF THE GROUP**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<i>Notes</i>	As at December 31,		As at
		2022	2023	September 30,
		<i>RMB’000</i>	<i>RMB’000</i>	2024
				<i>RMB’000</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment . . . . .	18	512	1,570	2,121
Right-of-use assets . . . . .	19	3,966	4,238	2,871
Intangible assets . . . . .	20	10,537	10,541	10,524
Deposits, prepayments and other receivables . . . . .	23	330	497	182
Restricted cash . . . . .	25	5,000	5,000	5,000
Deferred tax assets . . . . .	21	877	1,043	1,421
		<u>21,222</u>	<u>22,889</u>	<u>22,119</u>
<b>Current assets</b>				
Trade receivables . . . . .	22	87,499	93,802	75,008
Deposits, prepayments and other receivables . . . . .	23	25,564	16,141	11,418
Current tax assets . . . . .		–	–	72
Restricted cash . . . . .	25	2,456	3,493	5,621
Bank and cash balances . . . . .	25	30,937	50,114	59,455
		<u>146,456</u>	<u>163,550</u>	<u>151,574</u>
<b>TOTAL ASSETS</b> . . . . .		<u>167,678</u>	<u>186,439</u>	<u>173,693</u>
<b>EQUITY AND LIABILITIES</b>				
Deficit attributable to owners of the Company				
Share capital . . . . .	26	58,941	59,492	59,492
Other reserves . . . . .	27	(60,856)	(68,197)	(81,940)
<b>TOTAL DEFICIT</b> . . . . .		<u>(1,915)</u>	<u>(8,705)</u>	<u>(22,448)</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Lease liabilities . . . . .	28	3,203	2,750	1,138
Puttable shares liabilities . . . . .	29	51,651	52,981	74,196
		<u>54,854</u>	<u>55,731</u>	<u>75,334</u>
<b>Current liabilities</b>				
Trade and other payables . . . . .	30	111,936	137,106	113,389
Lease liabilities . . . . .	28	2,619	2,264	2,418
Borrowings . . . . .	31	–	–	5,000
Current tax liabilities . . . . .		184	43	–
		<u>114,739</u>	<u>139,413</u>	<u>120,807</u>
<b>TOTAL EQUITY AND LIABILITIES</b> . . . . .		<u>167,678</u>	<u>186,439</u>	<u>173,693</u>

**APPENDIX I**

**ACCOUNTANTS’ REPORT OF THE GROUP**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the Company					
	Share capital	Share premium	Puttable shares reserve	Share-based payments reserve	Accumulated losses	Total deficit
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
	(note 26)		(note 27b(ii))	(note 27b(i))		
At January 1, 2022 . . . . .	62,663	12,337	–	1,060	(53,126)	22,934
Total comprehensive income for the year . . . . .	–	–	–	–	(25,075)	(25,075)
Transfer of shares with preferential rights . . . . .	(6,204)	–	6,204	–	–	–
Capital injection from shareholders . . . . .	2,482	17,318	–	–	–	19,800
Initial recognition of puttable shares liabilities (note 29) . . . . .	–	–	(20,180)	–	–	(20,180)
Share-based payments (note 32(c)) . . . . .	–	–	–	606	–	606
Changes in equity for the year . . . . .	<u>(3,722)</u>	<u>17,318</u>	<u>(13,976)</u>	<u>606</u>	<u>(25,075)</u>	<u>(24,849)</u>
At December 31, 2022 . . . . .	<u>58,941</u>	<u>29,655</u>	<u>(13,976)</u>	<u>1,666</u>	<u>(78,201)</u>	<u>(1,915)</u>

	Attributable to owners of the Company					
	Share capital	Share premium	Puttable shares reserve	Share-based payments reserve	Accumulated losses	Total deficit
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
	(note 26)		(note 27b(ii))	(note 27b(i))		
At January 1, 2023 . . . . .	58,941	29,655	(13,976)	1,666	(78,201)	(1,915)
Total comprehensive income for the year . . . . .	–	–	–	–	(17,180)	(17,180)
Capital injection from shareholders . . . . .	551	7,449	–	–	–	8,000
Share-based payments (note 32(c)) . . . . .	–	–	–	2,390	–	2,390
Changes in equity for the year . . . . .	<u>551</u>	<u>7,449</u>	<u>–</u>	<u>2,390</u>	<u>(17,180)</u>	<u>(6,790)</u>
At December 31, 2023 . . . . .	<u>59,492</u>	<u>37,104</u>	<u>(13,976)</u>	<u>4,056</u>	<u>(95,381)</u>	<u>(8,705)</u>

**APPENDIX I**

**ACCOUNTANTS’ REPORT OF THE GROUP**

Attributable to owners of the Company						
	Share capital	Share premium	Puttable shares reserve	Share-based payments reserve	Accumulated losses	Total deficit
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
	(note 26)		(note 27b(ii))	(note 27b(i))		
At January 1, 2024 . . . . .	59,492	37,104	(13,976)	4,056	(95,381)	(8,705)
Total comprehensive income for the period. . . . .	-	-	-	-	(15,576)	(15,576)
Share-based payments (note 32(c)) . . . . .	-	-	-	1,833	-	1,833
Changes in equity for the period. . . . .	-	-	-	1,833	(15,576)	(13,743)
At September 30, 2024 . . . . .	<u>59,492</u>	<u>37,104</u>	<u>(13,976)</u>	<u>5,889</u>	<u>(110,957)</u>	<u>(22,448)</u>

Attributable to owners of the Company						
	Share capital	Share premium	Puttable shares reserve	Share-based payments reserve	Accumulated losses	Total deficit
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
	(note 26)		(note 27b(ii))	(note 27b(i))		
At January 1, 2023 . . . . .	58,941	29,655	(13,976)	1,666	(78,201)	(1,915)
Total comprehensive income for the period. . . . .	-	-	-	-	(14,720)	(14,720)
Capital injection from shareholders . . . . .	551	7,449	-	-	-	8,000
Share-based payments (note 32(c)) . . . . .	-	-	-	1,775	-	1,775
Changes in equity for the period. . . . .	551	7,449	-	1,775	(14,720)	(4,945)
At September 30, 2023 (unaudited) . . . . .	<u>59,492</u>	<u>37,104</u>	<u>(13,976)</u>	<u>3,441</u>	<u>(92,921)</u>	<u>(6,860)</u>

**APPENDIX I ACCOUNTANTS’ REPORT OF THE GROUP**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<i>Notes</i>	<b>Year ended December 31,</b>		<b>Nine months ended September 30,</b>	
		<b>2022</b>	<b>2023</b>	<b>2023</b>	<b>2024</b>
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
				<i>(unaudited)</i>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Loss before tax . . . . .		(25,329)	(17,295)	(14,850)	(15,930)
Adjustments for:					
Finance costs . . . . .	10	5,536	6,904	5,129	6,231
Interest income . . . . .	8	(545)	(1,102)	(847)	(1,357)
Depreciation of property, plant and equipment . . . . .	18	296	526	362	458
Depreciation of right-of-use assets .	19	1,996	1,959	1,456	1,558
Amortization of intangible assets . .	20	8	22	16	17
Loss on disposal of property, plant and equipment . . . . .		13	–	–	–
Equity-settled share-based payments . . . . .		606	2,390	1,775	1,833
Gain on initial recognition of puttable shares liabilities . . . . .	8	–	–	–	(3,944)
Gain on modification of puttable shares liabilities . . . . .	8	–	(5,086)	–	–
Allowance for impairment loss on financial assets, net. . . . .		1,285	1,743	2,050	1,604
Covid-19 related rent concession . .	8	(497)	–	–	–
Gain on disposal of right-of-use assets . . . . .		–	(46)	(174)	–
Operating cash flows before working capital changes . . . . .		(16,631)	(9,985)	(5,083)	(9,530)
Increase in restricted cash . . . . .		(1,511)	(1,037)	(1,503)	(2,128)
(Increase)/decrease in trade receivables. . . . .		(47,977)	(8,046)	(30,056)	17,190
(Increase)/decrease in deposits, prepayments and other receivables. . . . .		(11,666)	421	4,440	5,039
Increase/(decrease) in trade and other payables . . . . .		68,517	24,877	34,106	(23,717)
Cash (used in)/generated from operations . . . . .		(9,268)	6,230	1,904	(13,146)
Income taxes paid . . . . .		(48)	(192)	(191)	(140)
Net cash (used in)/generated from operating activities. . . . .		(9,316)	6,038	1,713	(13,286)

**APPENDIX I**

**ACCOUNTANTS’ REPORT OF THE GROUP**

	<b>Year ended December 31,</b>		<b>Nine months ended September 30,</b>	
	<b>2022</b>	<b>2023</b>	<b>2023</b>	<b>2024</b>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
			<i>(unaudited)</i>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received . . . . .	545	1,102	847	1,357
Placement of time deposits . . . . .	(15,050)	(20,000)	(20,000)	(40,000)
Withdrawal of time deposits . . . . .	15,000	25,050	15,050	15,000
Proceeds from disposal of property, plant and equipment . . . . .	13	–	–	–
Purchases of property, plant and equipment . . . . .	18 (35)	(1,584)	(1,554)	(1,009)
Purchase of intangible assets . . . . .	20 (89)	(26)	(26)	–
Net cash generated from/(used in) investing activities . . . . .	<u>384</u>	<u>4,542</u>	<u>(5,683)</u>	<u>(24,652)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Capital injection from shareholders . .	19,800	17,000	17,000	19,250
Repayment of borrowings . . . . .	(3,000)	–	–	–
Borrowings raised . . . . .	–	–	–	5,000
Repayment of lease liabilities . . . . .	(1,784)	(3,353)	(2,653)	(1,893)
Interest paid . . . . .	(36)	–	–	(78)
Net cash generated from financing activities . . . . .	<u>14,980</u>	<u>13,647</u>	<u>14,347</u>	<u>22,279</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS . . . . .</b>				
	6,048	24,227	10,377	(15,659)
<b>CASH AND CASH EQUIVALENTS AT JANUARY 1 . . . . .</b>				
	<u>9,839</u>	<u>15,887</u>	<u>15,887</u>	<u>40,114</u>
<b>CASH AND CASH EQUIVALENTS AT DECEMBER 31/ SEPTEMBER 30 . . . . .</b>				
	<u>15,887</u>	<u>40,114</u>	<u>26,264</u>	<u>24,455</u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents . . . . .	25(b) <u>15,887</u>	<u>40,114</u>	<u>26,264</u>	<u>24,455</u>

**APPENDIX I ACCOUNTANTS’ REPORT OF THE GROUP**

**STATEMENTS OF FINANCIAL POSITION OF THE COMPANY**

	<i>Notes</i>	<u>As at December 31,</u>		<u>As at</u>
		<u>2022</u>	<u>2023</u>	<u>September 30,</u>
		<i>RMB’000</i>	<i>RMB’000</i>	<u>2024</u>
				<i>RMB’000</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investments in subsidiaries . . . . .		58,463	59,608	67,081
Property, plant and equipment . . . . .	18	353	379	722
Right-of-use assets . . . . .	19	1,949	915	523
Intangible assets . . . . .		–	21	17
Deposits, prepayments and other receivables . . . . .	23	191	191	–
Deferred tax assets . . . . .		308	161	154
		<u>61,264</u>	<u>61,275</u>	<u>68,497</u>
<b>Current assets</b>				
Trade receivables . . . . .	22	7,565	188	3,003
Deposits, prepayments and other receivables . . . . .	23	11,180	301	1,187
Amounts due from subsidiaries . . . . .	24	13,960	31,586	54,781
Bank and cash balances . . . . .		<u>21,787</u>	<u>40,086</u>	<u>35,622</u>
		<u>54,492</u>	<u>72,161</u>	<u>94,593</u>
<b>Non-current liabilities</b>				
Lease liabilities . . . . .	28	1,793	616	–
Puttable shares liabilities . . . . .	29	<u>51,651</u>	<u>52,981</u>	<u>74,196</u>
		<u>53,444</u>	<u>53,597</u>	<u>74,196</u>
<b>Current liabilities</b>				
Trade and other payables . . . . .	30	5,683	9,269	7,776
Amounts due to subsidiaries . . . . .	24	1,915	2	8
Amount due to a shareholder . . . . .	24	1,000	–	–
Lease liabilities . . . . .	28	1,134	794	818
Borrowings . . . . .		–	–	5,000
		<u>9,732</u>	<u>10,065</u>	<u>13,602</u>
<b>Net current assets</b> . . . . .		<u>44,760</u>	<u>62,096</u>	<u>80,991</u>
<b>NET ASSETS</b> . . . . .		<u>52,580</u>	<u>69,774</u>	<u>75,292</u>
<b>Capital and reserves</b>				
Share capital . . . . .	26	58,941	59,492	59,492
Other reserves . . . . .	27	<u>(6,361)</u>	<u>10,282</u>	<u>15,800</u>
<b>TOTAL EQUITY</b> . . . . .		<u>52,580</u>	<u>69,774</u>	<u>75,292</u>

APPENDIX I

ACCOUNTANTS’ REPORT OF THE GROUP

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Baige Online Digital Technology Company Limited (白鴿在線(廈門)數字科技股份有限公司, the “Company”, formerly known as 公眾投保(廈門)投資有限公司 and 白鴿在線(廈門)網絡科技有限公司) was established in the People’s Republic of China (the “PRC”) on April 17, 2015 as a limited liability company and subsequently converted into a joint stock company with limited liability under the Company Law of the PRC on October 14, 2024. The conversion was completed on October 14, 2024. The address of its registered office is 24<sup>th</sup> Floor, Baige Tiandi Financial (Insurance) Technology Industrial Park, Huli District, Xiamen, Fujian Province, the PRC.

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in utilizing scenario-based insurance to provide innovative, technology-backed and full-process risk management financial services, intelligent marketing and digitalisation solutions and TPA services in the PRC.

In the opinion of the directors, Fujian Helihomei Technology Co., Limited (福建合力合美科技有限公司) (“Fujian Helihomei”), a Company incorporated in the PRC, is the ultimate parent.

During the Track Record Period and as at the date of this report, the particulars of entities comprising the Group are set out below:

Name	Place of incorporation and kind of legal entity	Principal country of operation	Particular of issued share capital	Percentage of ownership interest/ voting power/profit sharing			Directly/ indirectly held	Principal activities
				At December 31,		At September 30,		
				2022	2023	2024		
Yunchuang Digital Science (Xiamen) Information Technology Co., Ltd.* (雲創數科(廈門)信息技術有限公司) <sup>#</sup> . . . . .	The PRC, limited liability company	The PRC	Registered capital RMB10,000,000	100%	100%	100%	Directly	Inactive
Shanghai Weizhijin Network Technology Co., Ltd.* (上海偉之錦網絡技術有限公司) <sup>#</sup> . . . . .	The PRC, limited liability company	The PRC	Registered capital RMB5,000,000	100%	100%	100%	Directly	Intelligent marketing and digitalisation solutions
Beijing Gongtong Shulian Technology Co., Ltd.* (北京珙桐數鏈科技有限公司) <sup>#</sup> . . . . .	The PRC, limited liability company	The PRC	Registered capital RMB1,000,000	N/A	N/A	100%	Directly	Inactive
Xiamen Shuge Big Data Technology Co., Ltd.* (廈門數鴿大數據科技有限公司) . . . . .	The PRC, limited liability company	The PRC	Registered capital RMB10,000,000	100%	100%	100%	Directly	Inactive
Xiamen Bafang Tongchuang Network Technology Co., Ltd.* (廈門八方同創網絡科技有限公司) <sup>#</sup> . . . . .	The PRC, limited liability company	The PRC	Registered capital RMB5,000,000	100%	100%	100%	Directly	Intelligent marketing and digitalisation solutions
Xiamen Baigebao Network Technology Co., Ltd.* (廈門白鴿保網絡科技有限公司) <sup>#</sup> . . . . .	The PRC, limited liability company	The PRC	Registered capital RMB1,000,000	100%	100%	100%	Directly	Intelligent marketing and digitalisation solutions
Xiamen Shashidi Information Technology Co., Ltd.* (廈門沙師弟信息技術有限公司) <sup>#</sup> . . . . .	The PRC, limited liability company	The PRC	Registered capital RMB1,000,000	51%	51%	51%	Directly	Inactive

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Name	Place of incorporation and kind of legal entity	Principal country of operation	Particular of issued share capital	Percentage of ownership interest/ voting power/profit sharing			Directly/ indirectly held	Principal activities
				At December 31,		At September 30,		
				2022	2023	2024		
Baigebao Insurance Brokers Co., Ltd.* (白鴿寶保險經紀有限公司)# . . . . .	The PRC, limited liability company	The PRC	Registered capital RMB50,000,000	100%	100%	100%	Directly	Risk management financial services – Insurance brokerage services and TPA services
Fujian Shuchao Yongdong Digital Technology Co., Ltd.* (福建數潮湧動數字科技有限公司)# . . . . .	The PRC, limited liability company	The PRC	Registered capital RMB30,000,000	100%	100%	100%	Indirectly	Inactive

\* The English names of the subsidiaries are used for identification purpose only. The official names of these entities are in Chinese.

# The statutory financial statements of Baigebao Insurance Brokers Co., Ltd for the year ended December 31, 2022 and December 31, 2023 were audited by 福州同月會計師事務所, 福州市榕審千信會計師事務所有限公司 respectively.

## No statutory financial statements have been prepared for these entities for the years ended December 31, 2022, 2023 and nine months ended 2024, as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of registration.

2. BASIS OF PREPARATION AND PRESENTATION

The Historical Financial Information have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The Historical Financial Information also comply with the applicable disclosure provision of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirement of the Hong Kong Companies Ordinance (Cap. 622). Material accounting policy information adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for Track Record Period of the Group. For the purpose of preparing the Historical Financial Information, the accounting policies set out in note 4 have been applied consistently throughout the Track Record Period.

The Historical Financial Information has been prepared under the going concern basis notwithstanding the fact that during the Track Record Period, total liabilities exceed the total assets by approximately RMB1.9 million, RMB8.7 million and RMB22.4 million as at December 31, 2022 and 2023 and nine months ended September 30, 2024 respectively.

As at December 31, 2022, 2023 and September 30, 2024, the Group recorded a financial liabilities resulting from put rights over the company’s shares granted to investors amounting to RMB51.7 million, RMB53.0 million and RMB74.2 million respectively. The directors and management of the Company expect that the preferential rights granted to the investors will be terminated by agreement with the investors upon the completion of [REDACTED] and the financial liabilities will be derecognised with a corresponding credit to equity resulting in a healthy net assets position. After taking the aforementioned into consideration, the directors and management of the Company are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months and it is appropriate for the Historical Financial Information to be prepared on a going concern basis.



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## ACCOUNTANTS’ REPORT OF THE GROUP

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

#### Revised HKFRSs in issue but not yet effective

Up to the date of the Historical Financial Information, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the Track Record Period and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	<u>Effective for accounting periods beginning on or after</u>
Amendments to HKAS 21 and HKFRS 1 — Lack of Exchangeability . . . . .	January 1, 2025
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments . . . . .	January 1, 2026
Annual Improvements to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 . . . . .	January 1, 2026
HKFRS 18, Presentation and Disclosure in Financial Statements . . . . .	January 1, 2027
HKFRS 19, Subsidiary without Public Accountability Disclosure . . . . .	January 1, 2027
HK Int 5, Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause . . . . .	January 1, 2027
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture . . . . .	To be determined by the HKICPA

The directors of the Group are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

### 4. MATERIAL ACCOUNTING POLICY INFORMATION

These Historical Financial Information have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below.

The preparation of Historical Financial Information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 5.

The material accounting policy information applied in the preparation of these Historical Financial Information are set out below. These policies have been consistently applied to the Track Record Period, unless otherwise stated.

#### (a) Consolidation

The Historical Financial Information include the financial statements of the Group and its subsidiaries made up to December 31 and September 30. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity’s returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealized profits are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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## ACCOUNTANTS’ REPORT OF THE GROUP

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Group.

### **(b) Separate financial statements**

In the Group’s statement of financial position, investment in subsidiaries are stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Group on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the Historical Financial Information of the investee’s net assets including goodwill.

### **(c) Foreign currency translation**

#### ***(i) Functional and presentation currency***

Items included in the Historical Financial Information of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Historical Financial Information are presented in Renminbi (“RMB”), which is the Group’s presentation and functional currency. The directors consider that choosing RMB as the presentation currency best suits the needs of the shareholders and investors.

#### ***(ii) Transactions and balances in each entity’s financial statements***

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognized in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

#### ***(iii) Translation on consolidation***

The results and financial position of all the Group entities that have a functional currency different from the Group’s presentation currency are translated into the Group’s presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

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On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

### (d) Property, plant and equipment

Property, plant and equipment, including building, held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognized in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful life on a straight-line basis. The principal annual rates are as follows:

Leasehold improvements . . . . .	Over the shorter of the lease term or 3-5 years
Motor vehicles . . . . .	4 years
Furniture, fixtures and office equipment . . . . .	5 years
Computer . . . . .	3 years

The residual values, useful life and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognized in profit or loss.

### (e) Lease

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### *The Group as lessee*

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

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## ACCOUNTANTS’ REPORT OF THE GROUP

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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.

Refundable rental deposits paid are accounted under HKFRS 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.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract (“lease modification”) that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the Covid-19 pandemic and which satisfied the conditions set out in paragraph 46B of HKFRS 16. In such cases, the Group took advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognized the change in consideration as negative lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

### *The Group as a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

#### **(f) Intangible assets**

Intangible assets acquired separately include software and insurance broker licence.

Insurance broker licence with indefinite useful life is not amortized. The software is stated at cost less accumulated amortization and impairment loss. Amortization is calculated on a straight-line basis over their estimated useful life of 5 years.

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## ACCOUNTANTS’ REPORT OF THE GROUP

### (g) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognized in the consolidated statements of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and 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 Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, canceled or have expired. The difference between the carrying amount of the puttable shares liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

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 marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### *Debt investments*

Debt investments held by the Group are classified into one of the following measurement categories:

- amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- FVTOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognized in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL if the investment does not meet the criteria for being measured at amortized cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

#### *Equity investments*

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognized in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognized in profit or loss as other income.

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## ACCOUNTANTS’ REPORT OF THE GROUP

### (h) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

### (i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for expected credit losses (“ECL”).

### (j) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

### (k) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently measured at amortized cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognized in profit or loss as finance costs.

### (l) Puttable shares liabilities

A contract that contains an obligation for the Group to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount on initial recognition even if the obligation to purchase is conditional on the investors exercising their redemption rights. Subsequently the financial liability is measured at amortised cost using the effective interest method.

#### *Derecognition of Puttable shares liabilities*

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

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It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

### **(m) Trade and other payables**

Trade and other payables are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

### **(n) Equity instruments**

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

### **(o) Revenue and other income**

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from risk management financial services is recognised at the point when the insurance policy is in place in accordance with the commission terms of the underlying agreements entered into with insurance policy issuers. The commissions are generally determined based on a percentage of premiums of the insurance policies paid by the policy holder. The brokerage fee rate is based on the terms specified in the service contract with the insurance company for each product sold through the Group.

Revenue from digitalisation solutions services is recognised when the Group satisfies the performance obligation in a contract by transferring control over promised services to the customers. Control of the service refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the service. Based on the terms of the contract and the laws that apply to the contract, control of the services will generally be transferred at a point in time.

Revenue from TPA services is recognised over time as the customers of the Group simultaneously receive and consume the benefits provided by the Group's performance as the Group performs. The progress towards complete satisfaction of a performance obligation is measured based on an output method, which recognises revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of the services.

Interest income is recognised as it accrues using the effective interest method.

### **(p) Employee benefits**

#### ***(i) Employee leave entitlements***

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

The Group operates various post-employment schemes, including defined benefit pension plans.

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### (ii) *Defined contribution retirement plans*

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

### (iii) *Termination benefits*

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

### (q) **Share-based payments**

#### *Share award scheme*

The fair value is measured at the grant date of the shares and is recognized in equity in the share-based payments reserve. The number of shares expected to vest is estimated based on the vesting criteria and conditions or periods set out in the relevant award letter determined by the Board of directors (the "Board"). The estimates are revised at the end of each reporting period and adjustments are recognized in profit or loss and the share-based payment reserve.

Where shares are forfeited prior to the vesting date due to a failure by the employee to satisfy the service conditions, any expenses previously recognized in relation to such shares are reversed on the effective date of the forfeiture.

Where the Group's shares are issued to or acquired from the market by the Group's share award trust under the share award scheme, the total fair value of shares issued, or total consideration of shares acquired from the market (including any directly attributable incremental costs) is presented as 'shares held for Share Award Scheme' and deducted from total equity. Upon vesting, the related costs of the vested shares for share award scheme issued or purchased from the market are credited to 'shares held for share award scheme', with a corresponding decrease in share-based payment reserve for the share award scheme.

### (r) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (s) **Government grants**

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become 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 recognised in profit or loss in the period in which they become receivable.



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### (t) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognized in profit or loss because of items 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 the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and 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 deductible temporary differences, unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates and interests in joint arrangements, 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.

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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognized in profit or loss, except when it relates to items recognized in other comprehensive income or directly in equity, in which case the deferred tax is also recognized in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the 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.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognized at initial recognition and over the lease terms due to application of the initial recognition exemption.

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 by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### (u) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

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Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

### (v) Impairment of financial assets

The Group recognizes a loss allowance for ECL on trade receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix 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 as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument 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. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- 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 for a particular financial instrument;
- 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;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same 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.

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Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset 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.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default;
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there are no past due amounts.

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.

### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- 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 analysis, the Group considers that default has occurred when a financial asset is generally 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.

### *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:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

### *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 as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

### **(w) Provisions and contingent liabilities**

Provisions are recognized for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

### **(x) Events after the reporting period**

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the Historical Financial Information. Events after the reporting period that are not adjusting events are disclosed in the notes to the Historical Financial Information when material.

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### 5. CRITICAL JUDGMENTS AND KEY ESTIMATES

#### Critical judgments in applying accounting policies

In applying the Group’s accounting policies, which are described in note 4, the directors are required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 ongoing 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.

In the process of applying the accounting policies, the directors have made the following judgments that have the most significant effect on the amounts recognized in the Historical Financial Information (apart from those involving estimations, which are dealt with below).

#### *(a) Determining the lease term*

In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favorable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group’s operation.

Generally, periods covered by an extension option in other properties leases have not been included in the lease liability because the Group could replace the assets without significant cost or business disruption. See note 19 for further information.

The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group’s control. During Track Record Period, no lease term has been reassessed.

#### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### *(a) Income taxes and deferred tax assets*

The Group is subject to income taxes in the PRC. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Income tax credit of approximately RMB254,000, RMB115,000 and RMB354,000 were charged to profit or loss based on the estimated profit for the years ended December 31, 2022, 2023 and the nine months ended September 30, 2024 respectively.

As at December 31, 2022, 2023 and September 30, 2024, a deferred tax assets of RMB877,000, RMB1,043,000 and RMB1,421,000 in relation to temporary differences has been recognised in the consolidated statement of financial position. These deferred tax assets have been recognized as it is probable that future taxable profit will be available against which the temporary differences can be utilized. No deferred tax asset has been recognised on the tax losses due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

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### *(b) Impairment of trade receivables*

The Group uses practical expedient in estimating ECL on trade receivables and contract assets using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group’s historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

As at December 31, 2022, 2023 and September 30, 2024, the carrying amounts of trade receivables were approximately RMB87,499,000, RMB93,802,000 and RMB75,008,000 net of allowance of impairment loss of approximately RMB1,650,000, RMB3,393,000 and RMB4,997,000 respectively.

### *(c) Impairment of intangible assets*

Determining whether intangible assets is impaired requires an estimation of the recoverable amount of the cash-generating unit which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than the expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at December 31, 2022, 2023 and September 30, 2024, the carrying amount of intangible asset were approximately RMB10,537,000, RMB10,541,000 and RMB10,524,000. Details of the impairment loss calculation are provided in note 20 to the consolidated financial statements.

## 6. FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate 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.

### *(a) Foreign currency risk*

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise. The foreign currency risk is not significant to the Group.

### *(b) Credit risk*

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 is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group’s exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers having low credit risk.

#### *Trade receivables*

Customer credit risk is managed by each business unit subject to the Group’s established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days from the date of billing. Debtors with balances that are more than 30 days past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group’s historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group’s different customer bases.

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The following table provides information about the Group’s exposure to credit risk and ECLs for trade receivables, as at December 31, 2022, 2023 and September 30, 2024.

	<b>December 31, 2022</b>		
	<b>Expected loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
	%	<i>RMB'000</i>	<i>RMB'000</i>
Current (not past due) . . . . .	1.46%	87,432	1,278
1 to 30 days past due . . . . .	1.46%	506	7
31 to 60 days past due . . . . .	4.06%	226	9
61 to 90 days past due . . . . .	6.65%	52	3
More than 90 days past due . . . . .	37.82%	933	353
		<u>89,149</u>	<u>1,650</u>
		<u>89,149</u>	<u>1,650</u>
	<b>December 31, 2023</b>		
	<b>Expected loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
	%	<i>RMB'000</i>	<i>RMB'000</i>
Current (not past due) . . . . .	1.39%	86,164	1,197
1 to 30 days past due . . . . .	1.39%	6,162	86
31 to 60 days past due . . . . .	5.52%	952	53
61 to 90 days past due . . . . .	9.66%	190	18
More than 90 days past due . . . . .	54.71%	3,727	2,039
		<u>97,195</u>	<u>3,393</u>
		<u>97,195</u>	<u>3,393</u>
	<b>September 30, 2024</b>		
	<b>Expected loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
	%	<i>RMB'000</i>	<i>RMB'000</i>
Current (not past due) . . . . .	1.00%	63,017	630
1 to 30 days past due . . . . .	1.00%	3,930	39
31 to 60 days past due . . . . .	4.38%	580	25
61 to 90 days past due . . . . .	7.76%	3,635	282
More than 90 days past due . . . . .	45.47%	8,843	4,021
		<u>80,005</u>	<u>4,997</u>
		<u>80,005</u>	<u>4,997</u>

Expected loss rates are based on actual loss experience over the past 1 year. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables.

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Movement in the loss allowance account for trade receivables during the Track Record Period is as follows:

	<i>RMB’000</i>
At January 1, 2022 . . . . .	365
Allowance for impairment loss recognized for the year, net . . . . .	<u>1,285</u>
At December 31, 2022 and January 1, 2023 . . . . .	1,650
Allowance for impairment loss recognized for the year, net . . . . .	<u>1,743</u>
At December 31, 2023 and January 1, 2024 . . . . .	3,393
Allowance for impairment loss recognized for the period, net . . . . .	<u>1,604</u>
At September 30, 2024 . . . . .	<u><u>4,997</u></u>

As at December 31, 2022, 2023 and September 30, 2024, the Group has concentration of credit risk as 18%, 32%, and 32% of the total trade receivables was due from the Group’s largest debtor and 61%, 76% and 75% of the total receivables was due from the five largest debtors respectively.

It has policies in place to ensure that sales are made to customers with an appropriate credit history.

**(c) Liquidity risk**

The Group’s policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity profile of the Group’s non-derivative financial liabilities as at the end of the year/period, based on the contractual undiscounted payments, is as follows:

	<u>On demand or within 1 year</u>	<u>Between 1 to 2 years</u>	<u>Between 2 to 5 years</u>	<u>Total</u>	<u>Carrying amount</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
<b>As at December 31, 2022</b>					
Trade and other payables . . . . .	111,936	–	–	111,936	111,936
Lease liabilities . . . . .	3,137	2,071	1,486	6,694	5,822
Puttable shares liabilities . . . . .	–	–	73,388	73,388	51,651
	<u>115,073</u>	<u>2,071</u>	<u>74,874</u>	<u>192,018</u>	<u>169,409</u>
<b>As at December 31, 2023</b>					
Trade and other payables . . . . .	137,106	–	–	137,106	137,106
Lease liabilities . . . . .	2,560	1,940	993	5,493	5,014
Puttable shares liabilities . . . . .	–	66,960	–	66,960	52,981
	<u>139,666</u>	<u>68,900</u>	<u>993</u>	<u>209,559</u>	<u>195,101</u>
<b>As at September 30, 2024</b>					
Trade and other payables . . . . .	113,389	–	–	113,389	113,389
Borrowings . . . . .	5,000	–	–	5,000	5,000
Lease liabilities . . . . .	2,588	651	566	3,805	3,556
Puttable shares liabilities . . . . .	–	66,960	24,929	91,889	74,196
	<u>120,977</u>	<u>67,611</u>	<u>25,495</u>	<u>214,083</u>	<u>196,141</u>

**(d) Interest rate risk**

The Group’s bank deposits, lease liabilities and bank borrowings bear interests at fixed interest rates and therefore are subject to fair value interest rate risks. The Group was not expose to significant interest rate risk.



**APPENDIX I ACCOUNTANTS’ REPORT OF THE GROUP**

(e) **Categories of financial instruments at:**

	As at December 31,		As at
	2022	2023	September 30,
	RMB’000	RMB’000	2024
			RMB’000
<b>Financial assets:</b>			
Financial assets at amortized cost . . . . .	145,780	154,232	146,958
<b>Financial liabilities:</b>			
Lease liabilities . . . . .	5,822	5,014	3,556
Financial liabilities at amortised cost . . . . .	163,587	190,087	192,585

(f) **Fair values**

The carrying amounts of the Group’s financial assets and financial liabilities as reflected in the Historical Financial Information approximate their respective fair values.

**7. REVENUE**

Disaggregation of revenue from contracts with customers by major services lines for the Track Record Period is as follows:

	Year ended December 31,		Nine months ended September 30,	
	2022	2023	2023	2024
	RMB’000	RMB’000	RMB’000	RMB’000
			(unaudited)	
<b>Revenue from contracts with customers within the scope of HKFRS 15:</b>				
<b>(a) Disaggregated by service lines</b>				
Provision of risk management financial services . . . . .	311,365	535,927	365,863	574,242
Provision of intelligent marketing and digitalisation solutions . . . . .	86,926	115,671	81,911	54,651
Provision of TPA services . . . . .	6,233	8,304	6,413	2,298
Total . . . . .	404,524	659,902	454,187	631,191
<b>Timing of revenue recognition</b>				
Point in time . . . . .	398,291	651,598	447,774	628,893
Over time . . . . .	6,233	8,304	6,413	2,298
Total . . . . .	404,524	659,902	454,187	631,191

(b) **Remaining performance obligation**

As at the end of each reporting period, the aggregate amount of the transaction price allocated to the remaining performance obligation is insignificant.

**APPENDIX I**

**ACCOUNTANTS’ REPORT OF THE GROUP**

**8. OTHER INCOME AND GAINS**

	Year ended December 31,		Nine months ended September 30,	
	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest income from bank deposits . . . . .	545	1,102	847	1,357
Government grants . . . . .	351	5,168	4,542	1,515
Special deduction of input				
Value-added tax . . . . .	3,061	3,000	2,301	–
Covid-19 related rent concession . . . . .	497	–	–	–
Gain on termination of leases . . . . .	–	46	46	–
Gain on initial recognition of puttable shares liabilities . . . . .	–	–	–	3,944
Gain on modification of puttable shares liabilities . . . . .	–	5,086	–	–
Others . . . . .	183	61	51	6
	<u>4,637</u>	<u>14,463</u>	<u>7,787</u>	<u>6,822</u>

**9. SEGMENT INFORMATION**

The chief operating decision maker has been identified as the directors of the Group. The directors review the Group’s internal reporting for the purpose of resources allocation and assessment of segment performance which focused on the categories of services.

The Group has identified 3 reportable operating segments as follows:

- Risk management financial services
- Intelligent marketing and digitalisation solutions
- TPA services

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 4 to the Historical Financial Information. Revenue and cost of sales are allocated to reportable segments with reference to revenue generated by those segments and the cost of sales incurred by those segments. The measure used for reporting segment result is gross profit. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

**Information about operating segment**

	Risk management financial services	Intelligent marketing and digitalisation solutions	TPA services	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Year ended December 31, 2022</b>				
Revenue from external customers . . . . .	311,365	86,926	6,233	404,524
Cost of revenue . . . . .	(280,192)	(85,386)	(5,441)	(371,019)
Gross Profit . . . . .	<u>31,173</u>	<u>1,540</u>	<u>792</u>	<u>33,505</u>
<b>Year ended December 31, 2023</b>				
Revenue from external customers . . . . .	535,927	115,671	8,304	659,902
Cost of revenue . . . . .	(486,944)	(114,698)	(6,210)	(607,852)
Gross Profit . . . . .	<u>48,983</u>	<u>973</u>	<u>2,094</u>	<u>52,050</u>

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	Risk management financial services	Intelligent marketing and digitalisation solutions	TPA services	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
<b><u>Nine months ended September 30, 2023</u></b>				
<i>(unaudited)</i>				
Revenue from external customers . . . . .	365,863	81,911	6,413	454,187
Cost of revenue . . . . .	(333,060)	(81,180)	(4,996)	(419,236)
Gross Profit . . . . .	<u>32,803</u>	<u>731</u>	<u>1,417</u>	<u>34,951</u>
<b><u>Nine months ended September 30, 2024</u></b>				
Revenue from external customers . . . . .	574,242	54,651	2,298	631,191
Cost of revenue . . . . .	(524,981)	(53,746)	(1,854)	(580,581)
Gross Profit . . . . .	<u>49,261</u>	<u>905</u>	<u>444</u>	<u>50,610</u>

### Other segment information

	Risk management financial services	Intelligent marketing and digitalisation solutions	TPA services	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
<b><u>Year ended December 31, 2022</u></b>				
Amortization of intangible assets . . . . .	8	–	–	8
Depreciation of property, plant and equipment . . . . .	109	185	2	296
Depreciation of right-of-use assets . . . . .	448	1,539	9	1,996
Allowance for impairment loss on financial assets, net . . . . .	<u>347</u>	<u>931</u>	<u>7</u>	<u>1,285</u>
<b><u>Year ended December 31, 2023</u></b>				
Amortization of intangible assets . . . . .	17	4	1	22
Depreciation of property, plant and equipment . . . . .	308	213	5	526
Depreciation of right-of-use assets . . . . .	696	1,252	11	1,959
Allowance for impairment loss on financial assets, net . . . . .	<u>945</u>	<u>783</u>	<u>15</u>	<u>1,743</u>
<b><u>Nine months ended September 30, 2023</u></b>				
<i>(unaudited)</i>				
Amortization of intangible assets . . . . .	12	3	1	16
Depreciation of property, plant and equipment . . . . .	199	159	4	362
Depreciation of right-of-use assets . . . . .	480	968	8	1,456
Allowance for impairment loss on financial assets, net . . . . .	<u>1,109</u>	<u>922</u>	<u>19</u>	<u>2,050</u>
<b><u>Nine months ended September 30, 2024</u></b>				
Amortization of intangible assets . . . . .	13	3	1	17
Depreciation of property, plant and equipment . . . . .	288	169	1	458
Depreciation of right-of-use assets . . . . .	705	850	3	1,558
Allowance for impairment loss on financial assets, net . . . . .	<u>727</u>	<u>874</u>	<u>3</u>	<u>1,604</u>

### Geographical information

The Group’s operating assets are located in the PRC, and all of the Group’s revenue and operating profits was derived from the PRC during the Track Record Period. Accordingly, no segment analysis based on geographical locations is provided.

**APPENDIX I ACCOUNTANTS’ REPORT OF THE GROUP**

**Revenue from major customers**

Revenue from major customers contributing to 10% or more of the total revenue of the Group are as follow:

	Year ended December 31,		Nine months ended September 30,	
	2022	2023	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(unaudited)</i>	<i>RMB’000</i>
Customer A . . . . .	102,227	131,800	111,148	82,913
Customer B . . . . .	73,478	112,737	81,038	87,701
Customer C . . . . .	*	123,258	57,766	275,104
	<u>175,705</u>	<u>367,795</u>	<u>249,952</u>	<u>445,718</u>

\* Revenue was less than 10% for the year.

**10. FINANCE COSTS**

	Year ended December 31,		Nine months ended September 30,	
	2022	2023	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(unaudited)</i>	<i>RMB’000</i>
Interest on lease liabilities . . . . .	754	488	388	244
Interest on borrowings . . . . .	36	–	–	78
Interest on puttable shares liabilities . . . . .	<u>4,746</u>	<u>6,416</u>	<u>4,741</u>	<u>5,909</u>
	<u>5,536</u>	<u>6,904</u>	<u>5,129</u>	<u>6,231</u>

**11. INCOME TAX CREDIT**

	Year ended December 31,		Nine months ended September 30,	
	2022	2023	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(unaudited)</i>	<i>RMB’000</i>
Current tax				
PRC Enterprise Income Tax . . . . .	<u>185</u>	<u>51</u>	<u>42</u>	<u>24</u>
Deferred tax ( <i>note 21</i> ) . . . . .	<u>(439)</u>	<u>(166)</u>	<u>(172)</u>	<u>(378)</u>
	<u>(254)</u>	<u>(115)</u>	<u>(130)</u>	<u>(354)</u>

PRC Enterprise Income Tax has been provided at a rate of 25%.

The Company was recognized as a high and new technology enterprise (“HNTE”) in November 2019, and successfully renewed its HNTE status in December 2022. Accordingly, the Company was entitled to a preferential income tax rate of 15% and allowance for super deduction on research and development expenditure during the Track Record Period.

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The reconciliation between the income tax credit and the product of loss before tax multiplied by the respective applicable tax rate is as follows:

	Year ended December 31,		Nine months ended September 30,	
	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Loss before tax . . . . .	(25,329)	(17,295)	(14,850)	(15,930)
Tax at the respective applicable tax rates . . . . .	(6,332)	(4,324)	(3,712)	(3,983)
Super-deduction of research and development expense . . . . .	(1,821)	(2,432)	(1,613)	(907)
Tax effect of income that is not taxable . . . . .	–	(1,271)	–	(986)
Tax effect of expenses that are not deductible . . . . .	1,329	2,468	1,645	3,733
Tax effect of temporary differences not recognized. . . . .	3,935	3,254	2,765	2,427
Tax effect of tax losses not recognized . . . . .	5,152	3,276	3,260	3,455
Tax effect of utilization of tax losses not previously recognized. . . . .	(2,492)	(932)	(2,389)	(3,995)
Tax concession. . . . .	(25)	(154)	(86)	(98)
	<u>(254)</u>	<u>(115)</u>	<u>(130)</u>	<u>(354)</u>

**12. LOSS BEFORE TAXATION**

The Group’s loss before taxation is arrived at after charging/(crediting) the follows:

	Year ended December 31,		Nine months ended September 30,	
	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Amortization of intangible assets. . . . .	8	22	16	17
Depreciation of property, plant and equipment . . . . .	296	526	362	458
Depreciation of right-of-use assets. . . . .	1,996	1,959	1,534	1,558
[REDACTED]. . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Staff costs including directors’ remuneration				
– Salaries, bonuses and allowances . . . . .	14,039	14,627	11,039	10,826
– Equity-settled share-based payments . . . . .	606	2,390	1,775	1,833
– Retirement benefits scheme contributions. . . . .	1,689	2,088	1,549	1,601
Allowance for impairment loss on financial assets, net . . . . .	1,285	1,743	2,050	1,604
	<u>1,285</u>	<u>1,743</u>	<u>2,050</u>	<u>1,604</u>

**13. EMPLOYEE BENEFITS EXPENSE**

	Year ended December 31,		Nine months ended September 30,	
	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Employee benefits expense:				
Salaries, bonuses and allowances. . . . .	14,039	14,627	11,039	10,826
Equity-settled share-based payments. . . . .	606	2,390	1,775	1,833
Retirement benefit scheme contributions (note 15) . . . . .	1,689	2,088	1,549	1,601
	<u>16,334</u>	<u>19,105</u>	<u>14,363</u>	<u>14,260</u>

**APPENDIX I**

**ACCOUNTANTS’ REPORT OF THE GROUP**

**(a) Five highest paid individuals**

The five highest paid individuals in the Group for the Track Record Period included one, one, one and two directors for the years ended December 31, 2022, 2023 and the nine months ended September 30, 2024 respectively, whose emoluments are reflected in the analysis presented in 14(a). The emoluments of the remaining four, four, four and three individuals are set out below:

	Year ended December 31,		Nine months ended September 30,	
	2022	2023	2023	2024
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Salaries and allowances . . . . .	1,010	871	634	464
Discretionary bonuses . . . . .	–	–	–	–
Equity-settled share-based payments. Retirement benefit scheme contributions. . . . .	284	1,589	1,204	1,160
	81	85	61	49
	<u>1,375</u>	<u>2,545</u>	<u>1,899</u>	<u>1,673</u>

The emoluments fell within the following bands:

	Number of individuals			
	Year ended December 31,		Nine months ended September 30,	
	2022	2023	2023	2024
			(unaudited)	
Nil to HK\$1,000,000 . . . . .	4	3	4	3
HK\$1,000,001 to HK\$1,500,000 . . .	–	1	–	–
	4	4	4	3
	<u>4</u>	<u>4</u>	<u>4</u>	<u>3</u>

No incentive payment for joining the Group or compensation for loss of office was paid or payable to any of the five highest paid individuals during the Track Record Period.

**14. BENEFITS AND INTERESTS OF DIRECTORS**

**(a) Directors’ and supervisors’ remuneration**

The remuneration of every director and supervisor for the Track Record Periods is set out below:

For the year ended December 31, 2022	Remuneration paid or receivable in respect of a person’s services as a director or supervisor, whether of the Group or its subsidiary undertaking					Retirement scheme contributions	Total
	Fees	Salaries and allowances	Discretionary bonuses	Share-based payments			
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000		
<u>Executive Directors</u>							
Mr. Tu Jinbo (“Mr. Tu”) . . .	–	556	–	–	75	631	
Mr. Shi Wenzheng (i) . . . .	–	257	–	84	20	361	
Ms. Liu Jia Jia Jovy (ii) . . .	–	290	–	–	29	319	
<u>Non-executive Directors</u>							
Mr. Zeng Huanhuang (iii) . .	–	–	–	–	–	–	
Mr. Wu Zhiqian (iv) . . . . .	–	–	–	–	–	–	
Mr. Zeng Jianhua . . . . .	–	–	–	–	–	–	
Mr. Zheng Yu . . . . .	–	–	–	–	–	–	
Mr. Wang Qianwei . . . . .	–	–	–	–	–	–	
	–	<u>1,103</u>	–	<u>84</u>	<u>124</u>	<u>1,311</u>	
	<u>–</u>	<u>1,103</u>	<u>–</u>	<u>84</u>	<u>124</u>	<u>1,311</u>	

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For the year ended December 31, 2023	Remuneration paid or receivable in respect of a person’s services as a director or supervisor, whether of the Group or its subsidiary undertaking					
	Fees	Salaries and allowances	Discretionary bonuses	Share-based payments	Retirement scheme contributions	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<u>Executive Directors</u>						
Mr. Tu . . . . .	–	1,050	240	–	73	1,363
Mr. Shi Wenzheng (i) . . . . .	–	250	–	84	20	354
Ms. Liu Jia Jia Jovy (ii) . . . . .	–	284	–	–	32	316
<u>Non-executive Directors</u>						
Mr. Zeng Huanhuang (iii) . . . . .	–	–	–	–	–	–
Mr. Wu Zhiqian (iv) . . . . .	–	–	–	–	–	–
Mr. Zeng Jianhua . . . . .	–	–	–	–	–	–
Mr. Zheng Yu . . . . .	–	–	–	–	–	–
Mr. Wang Qianwei . . . . .	–	–	–	–	–	–
<u>Supervisors</u>						
Mr. Zheng Weixin (v) . . . . .	–	108	–	180	18	306
	–	<u>1,692</u>	<u>240</u>	<u>264</u>	<u>143</u>	<u>2,339</u>
	–	–	–	–	–	–

The remuneration of every director for the Track Record Period is set out below:

For the nine months ended September 30, 2023 (unaudited)	Remuneration paid or receivable in respect of a person’s services as a director or supervisor, whether of the Group or its subsidiary undertaking or supervisor					
	Fees	Salaries and allowances	Discretionary bonuses	Share-based payments	Retirement scheme contributions	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<u>Executive Directors</u>						
Mr. Tu . . . . .	–	747	–	–	54	801
Mr. Shi Wenzheng (i) . . . . .	–	191	–	63	15	269
Ms. Liu Jia Jia Jovy (ii) . . . . .	–	219	–	–	24	243
<u>Non-executive Directors</u>						
Mr. Zeng Huanhuang (iii) . . . . .	–	–	–	–	–	–
Mr. Wu Zhiqian (iv) . . . . .	–	–	–	–	–	–
Mr. Zeng Jianhua . . . . .	–	–	–	–	–	–
Mr. Zheng Yu . . . . .	–	–	–	–	–	–
Mr. Wang Qianwei . . . . .	–	–	–	–	–	–
<u>Supervisors</u>						
Mr. Zheng Weixin (v) . . . . .	–	81	–	134	12	227
	–	<u>1,238</u>	–	<u>197</u>	<u>105</u>	<u>1,540</u>
	–	–	–	–	–	–

For the nine months ended September 30, 2024	Remuneration paid or receivable in respect of a person’s services as a director or supervisor, whether of the Group or its subsidiary undertaking or supervisor					
	Fees	Salaries and allowances	Discretionary bonuses	Share-based payments	Retirement scheme contributions	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<u>Executive Directors</u>						
Mr. Tu . . . . .	–	912	–	–	59	971
Mr. Shi Wenzheng (i) . . . . .	–	189	–	63	13	265
Ms. Liu Jia Jia Jovy (ii) . . . . .	–	124	–	–	15	139
<u>Non-executive Directors</u>						
Mr. Wu Zhiqian (iv) . . . . .	–	–	–	–	–	–
Mr. Zeng Jianhua . . . . .	–	–	–	–	–	–
Mr. Zheng Yu . . . . .	–	–	–	–	–	–
Mr. Wang Qianwei . . . . .	–	–	–	–	–	–
<u>Supervisors</u>						
Mr. Zheng Weixin (v) . . . . .	–	135	–	139	18	292
Ms. Yu Jianrong (vi) . . . . .	–	–	–	–	–	–
	–	<u>1,360</u>	–	<u>202</u>	<u>105</u>	<u>1,667</u>
	–	–	–	–	–	–

## APPENDIX I

## ACCOUNTANTS’ REPORT OF THE GROUP

*Notes:*

- (i) Mr. Shi Wenzheng was appointed on July 22, 2024.
- (ii) Ms. Liu Jia Jia Jovy resigned on July 22, 2024.
- (iii) Mr. Zeng Huanhuang resigned on June 1, 2023.
- (iv) Mr. Wu Zhiqian resigned on February 19, 2024.
- (v) Mr. Zheng Weixin was appointed on March 1, 2023.
- (vi) Ms. Yu Jianrong was appointed on September 19, 2024.
- (vii) The remuneration disclosed above included the remuneration received by certain directors and supervisors prior to their appointments as the directors and supervisors of the Company.

**(b) Directors’ and supervisors’ retirement benefits**

No other retirement benefits were paid to the directors or supervisors of the Company during the Track Record Period.

**(c) Directors’ and supervisors’ termination benefits**

On June 1, 2023, Mr. Zeng Huanhuang resigned as the director of the Company. On February 19, 2024, Mr. Wu Zhiqian resigned as the director of the Company. On July 22, 2024, Ms. Liu Jiajia Jovy resigned as director of the Company. They received no benefits upon resigning.

**(d) Consideration provided to receivable by third parties for making available directors’ and supervisors’ services**

During the track record period, no consideration was made to any director or supervisor for making available the services as a director or supervisor of the Company.

**(e) Information about loans, quasi-loans and other dealing in favor of directors, controlled bodies corporate and connected entities**

During the Track Record Period, Mr. Tu Jinbo provided personal guarantee to two 1-year bank loans amounted to RMB5 million. Subsequent to the track record period, the personal guarantee provided by Mr. Tu on the bank loan has been discharged.

No other loans, quasi-loans and other dealings was entered into by the Company in favor of a controlled body corporate of any director or supervisor of the Company.

**(f) Directors’ and supervisors’ material interests in transactions, arrangements or contracts**

No significant transactions, arrangements and contracts in relation to the Group’s business to which the Group or any of its subsidiaries was a party and in which the directors or supervisors of the Group and the directors’ or supervisors’ connected party had a material interest, whether directly or indirectly, subsisted at the end of each reporting period or at any time during the Track Record Period.

None of the directors or supervisors waived or agreed to waive any emoluments paid by the Group and no incentive payment for joining the Group or compensation for loss of office was paid or payable to any director or supervisor during the Track Record Period.

### 15. RETIREMENT BENEFIT SCHEMES

The Group contributes to defined contribution retirement plans which are available for eligible employees in the PRC.



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**ACCOUNTANTS’ REPORT OF THE GROUP**

Pursuant to the relevant laws and regulations in the PRC, the Group has joined defined contribution retirement schemes for the employees arranged by local government labor and security authorities (the “PRC Retirement Schemes”). The Group makes contributions to the PRC Retirement Schemes at the applicable rates based on the amounts stipulated by the local government organisations. Upon retirement, the local government labor and security authorities are responsible for the payment of the retirement benefits to the retired employees.

**16. DIVIDENDS**

During the Track Record Period, the directors of the Company did not recommend payment of any final dividend.

**17. LOSS PER SHARE**

No loss per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful in view of that the proposed capitalization issue has not been effected as of the date of this report.

**18. PROPERTY, PLANT AND EQUIPMENT**

**The Group**

	Leasehold improvements	Motor vehicles	Furniture, fixtures and office equipment	Computer	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Cost</b>					
At January 1, 2022 . . . . .	592	887	287	164	1,930
Additions . . . . .	—	—	—	35	35
Disposal . . . . .	—	(6)	(66)	—	(72)
At December 31, 2022 and January 1, 2023 . . . . .	592	881	221	199	1,893
Additions . . . . .	—	1,376	—	208	1,584
At December 31, 2023 and January 1, 2024 . . . . .	592	2,257	221	407	3,477
Additions . . . . .	—	888	73	48	1,009
At September 30, 2024 . . . . .	592	3,145	294	455	4,486
<b>Accumulated depreciation</b>					
At January 1, 2022 . . . . .	159	799	98	75	1,131
Charge for the year . . . . .	140	60	50	46	296
Disposal . . . . .	—	(4)	(42)	—	(46)
At December 31, 2022 and January 1, 2023 . . . . .	299	855	106	121	1,381
Charge for the year . . . . .	134	271	42	79	526
At December 31, 2023 and January 1, 2024 . . . . .	433	1,126	148	200	1,907
Charge for the period . . . . .	68	285	38	67	458
At September 30, 2024 . . . . .	501	1,411	186	267	2,365
<b>Carrying amount</b>					
At September 30, 2024 . . . . .	91	1,734	108	188	2,121
At December 31, 2023 . . . . .	159	1,131	73	207	1,570
At December 31, 2022 . . . . .	293	26	115	78	512

At December 31, 2022, 2023 and September 30, 2024, none of the property, plant and equipment was pledged as security for the Group’s borrowings.

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**The Company**

	Leasehold improvements	Motor vehicles	Furniture, fixtures and office equipment	Computer	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Cost</b>					
At January 1, 2022 . . . . .	437	300	124	76	937
Additions . . . . .	—	—	—	25	25
At December 31, 2022 and January 1, 2023 . . . . .	437	300	124	101	962
Additions . . . . .	—	—	—	208	208
At December 31, 2023 and January 1, 2024 . . . . .	437	300	124	309	1,170
Additions . . . . .	—	380	71	48	499
Disposal . . . . .	—	(300)	—	—	(300)
At September 30, 2024 . . . . .	437	380	195	357	1,369
<b>Accumulated depreciation</b>					
At January 1, 2022 . . . . .	114	291	24	26	455
Charge for the year . . . . .	102	—	24	28	154
At December 31, 2022 and January 1, 2023 . . . . .	216	291	48	54	609
Charge for the year . . . . .	95	—	24	63	182
At December 31, 2023 and January 1, 2024 . . . . .	311	291	72	117	791
Charge for the period . . . . .	54	8	27	58	147
Disposal . . . . .	—	(291)	—	—	(291)
At September 30, 2024 . . . . .	365	8	99	175	647
<b>Carrying amount</b>					
At September 30, 2024 . . . . .	72	372	96	182	722
At December 31, 2023 . . . . .	126	9	52	192	379
At December 31, 2022 . . . . .	221	9	76	47	353

**19. RIGHT-OF-USE ASSETS**

**The Group**

	<i>Note</i>	Leased properties
		<i>RMB'000</i>
At January 1, 2022 . . . . .		5,962
Depreciation . . . . .		(1,996)
At December 31, 2022 and January 1, 2023 . . . . .		3,966
Additions . . . . .		2,891
Depreciation . . . . .		(1,959)
Modification . . . . .	(a)	(449)
Disposal . . . . .		(211)
At December 31, 2023 and January 1, 2024 . . . . .		4,238
Additions . . . . .		191
Depreciation . . . . .		(1,558)
At September 30, 2024 . . . . .		2,871

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*Note:*

- (a) The Company has reassessed the lease liabilities due to change of scope and lease payment and adjusted the carrying amount of right-of-use assets accordingly.

**The Company**

	<u>Leased properties</u>
	<i>RMB'000</i>
At January 1, 2022 . . . . .	2,658
Depreciation . . . . .	<u>(709)</u>
At December 31, 2022 and January 1, 2023 . . . . .	1,949
Additions . . . . .	–
Modification . . . . .	(449)
Depreciation . . . . .	<u>(585)</u>
At December 31, 2023 and January 1, 2024 . . . . .	915
Depreciation . . . . .	<u>(392)</u>
At September 30, 2024 . . . . .	<u>523</u>

As at December 31, 2022, 2023 and September 30, 2024, lease liabilities of approximately RMB5,822,000, RMB5,014,000 and RMB3,556,000 are recognized with related right-of-use assets of RMB3,966,000, RMB4,238,000 and RMB2,871,000 respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	<u>Year ended December 31,</u>		<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2023</u>	<u>2023</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(unaudited)</i>	
Depreciation expenses on right-of-use assets . . . . .	1,996	1,959	1,534	1,558
Interest expenses on lease liabilities (included in finance costs) . . . . .	<u>754</u>	<u>488</u>	<u>388</u>	<u>244</u>

Details of total cash outflow for leases are set out in note 33(a).

During the Track Record Period, the Group leases various offices for its operation. Lease contracts are entered into for fixed term of 2 year to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of 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.

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities.

During the Track Record Period, the Group has no leases contracts with the extension options.

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20. INTANGIBLE ASSETS

	Insurance brokerage licence	Software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Cost</b>			
At January 1, 2022 . . . . .	10,456	–	10,456
Additions . . . . .	–	89	89
At December 31, 2022 and January 1, 2023 . . . . .	10,456	89	10,545
Additions . . . . .	–	26	26
As at December 31, 2023, January 1, 2024 and September 30, 2024 . . . . .	10,456	115	10,571
<b>Accumulated amortization</b>			
At January 1, 2022 . . . . .	–	–	–
Amortization for the year . . . . .	–	8	8
At December 31, 2022 and January 1, 2023 . . . . .	–	8	8
Amortization for the year . . . . .	–	22	22
At December 31, 2023 and January 1, 2024 . . . . .	–	30	30
Amortization for the period . . . . .	–	17	17
At September 30, 2024 . . . . .	–	47	47
<b>Carrying amount</b>			
At September 30, 2024 . . . . .	10,456	68	10,524
At December 31, 2023 . . . . .	10,456	85	10,541
At December 31, 2022 . . . . .	10,456	81	10,537

Pursuant to the Regulatory Provisions on Insurance Brokerages (“保險經紀人監管規定”) which became effective on May 1, 2018, the legal term of the insurance brokerage licence is 3 years. During the Track Record Period, the directors considered that the insurance brokerage licence has an indefinite useful life because it can be easily renewed upon expiration at a minimal cost. The licence will be subjected to an annual impairment test and whenever there are indications that it might be impaired.

The Group evaluates the brokerage licence each financial year end to determine whether events and circumstances continue to support the indefinite useful life.

The Group carried out review of the recoverable amount of the brokerage licence as of December 31, 2022, 2023, September 30, 2024. The above licence is used in the Group’s Risk management financial services segment. The recoverable amount of the brokerage licence is determined on the basis of its value-in-use using the discounted cash flow method. These calculations use cash flow projections based on financial budgets approved by the management covers a five-year period. Key assumptions used in the estimation of value-in-use were as follows:

	As at December 31,		As at September 30,
	2022	2023	2024
Pre-tax discount rate . . . . .	14.83%	14.17%	13.87%
Long term growth rate . . . . .	2%	2%	2%

The key assumptions for the value-in-use calculation were those regarding the discount rate, and long term growth rate, which had been determined based on the management’s expectation for the industry development. The recoverable amount of the brokerage licence is approximately RMB289,595,000, RMB418,659,000 and RMB530,443,000 as at December 31, 2022, 2023 and September 30, 2024 respectively.

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**21. DEFERRED TAX**

The movements in deferred tax assets/(liabilities) during the Track Record Period are as follows:

	Right-of-use assets	Lease liabilities	Impairment loss on financial assets	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At January 1, 2022 . . . . .	(1,489)	1,836	91	438
Credit/(charge) to profit or loss for the year ( <i>note 11</i> ). . . . .	<u>499</u>	<u>(381)</u>	<u>321</u>	<u>439</u>
At December 31, 2022 and January 1, 2023 . . . . .	(990)	1,455	412	877
Credit/(charge) to profit or loss for the year ( <i>note 11</i> ). . . . .	<u>(69)</u>	<u>(201)</u>	<u>436</u>	<u>166</u>
At December 31, 2023 and January 1, 2024 . . . . .	(1,059)	1,254	848	1,043
Credit/(charge) to profit or loss for the period ( <i>note 11</i> ). . . . .	<u>342</u>	<u>(365)</u>	<u>401</u>	<u>378</u>
At September 30, 2024 . . . . .	<u>(717)</u>	<u>889</u>	<u>1,249</u>	<u>1,421</u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at December 31,		As at September 30,
	2022	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Deferred tax assets . . . . .	1,867	2,102	2,138
Deferred tax liabilities . . . . .	<u>(990)</u>	<u>(1,059)</u>	<u>(717)</u>
	<u>877</u>	<u>1,043</u>	<u>1,421</u>

At December 31, 2022, 2023 and September 30, 2024, the Group has unused tax losses of approximately RMB57,530,000, RMB56,678,000 and RMB57,428,000 available for offset against future profits respectively.

For the year ended December 31, 2022, unrecognised tax losses of approximately RMB4,016,000, RMB11,962,000, RMB13,820,000, RMB7,120,000, and RMB20,612,000 were brought forward from 2018, 2019, 2020, 2021, and 2022, respectively. For the year ended December 31, 2023, unrecognised tax losses of approximately RMB3,146,000, RMB11,962,000, RMB13,802,000, RMB5,808,000, RMB18,346,000, and RMB3,614,000 were brought forward from 2018, 2019, 2020, 2021, 2022, and 2023, respectively. For the period ended September 30, 2024, unrecognised tax losses of approximately RMB3,146,000, RMB3,656,000, RMB9,185,000, RMB5,645,000, RMB18,392,000, RMB3,647,000, and RMB13,757,000 were brought forward from 2018, 2019, 2020, 2021, 2022, 2023, and 2024, respectively.

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**22. TRADE RECEIVABLES**

**The Group**

	At December 31,		At September 30,
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Trade receivables . . . . .	89,149	97,195	80,005
Allowance for impairment loss . . . . .	(1,650)	(3,393)	(4,997)
	<u>87,499</u>	<u>93,802</u>	<u>75,008</u>

**The Company**

	At December 31,		At September 30,
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Trade receivables . . . . .	7,816	336	3,326
Allowance for impairment loss . . . . .	(251)	(148)	(323)
	<u>7,565</u>	<u>188</u>	<u>3,003</u>

During the Track Record Period, the Group generally allows an average credit period of 30 to 60 days for its customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

	At December 31,		At September 30,
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
0 to 90 days . . . . .	86,870	91,942	66,833
91 to 180 days . . . . .	55	185	3,856
181 to 365 days . . . . .	190	1,581	4,319
Over 365 days . . . . .	384	94	–
	<u>87,499</u>	<u>93,802</u>	<u>75,008</u>

As at December 31, 2022, 2023 and September 30, 2024, the aggregate allowances were made for estimated irrecoverable trade receivables of approximately RMB1,650,000, RMB3,393,000 and RMB4,997,000 respectively.

As of December 31, 2022, 2023 and September 30, 2024, trade receivables of approximately RMB1,344,000, RMB8,835,000 and RMB12,621,000 were past due but not impaired respectively. These related to a number of independent customers for whom there had no recent history of default. The aging analysis of these trade receivables past due but not impaired is as follows:

	At December 31,		At September 30,
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Less than 90 days . . . . .	765	7,147	7,799
91 to 180 days . . . . .	8	35	1,232
Over 181 days . . . . .	571	1,653	3,590
	<u>1,344</u>	<u>8,835</u>	<u>12,621</u>

The carrying amounts of the Group’s trade receivables are denominated in RMB.

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**23. DEPOSITS, PREPAYMENTS, OTHER RECEIVABLES**

**The Group**

	At December 31,		At September 30,
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Rental deposits . . . . .	618	502	475
Other receivables . . . . .	1,187	1,152	1,151
Capital injection receivable from investors . . . . .	9,000	–	–
Prepayment to suppliers . . . . .	11,210	11,655	8,482
Prepayment for [REDACTED] . . . . .	[REDACTED]	[REDACTED]	[REDACTED]
Value-added tax recoverable . . . . .	3,796	3,160	545
Others . . . . .	83	169	176
Total . . . . .	<u>25,894</u>	<u>16,638</u>	<u>11,600</u>
Analyzed as:			
Current assets . . . . .	25,564	16,141	11,418
Non-current assets . . . . .	330	497	182
	<u>25,894</u>	<u>16,638</u>	<u>11,600</u>

**The Company**

	At December 31,		At September 30,
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Rental deposits . . . . .	196	196	196
Other receivables . . . . .	262	124	51
Capital injection receivable from investors . . . . .	9,000	–	–
Prepayment to suppliers . . . . .	1,913	172	169
Prepayment for [REDACTED] . . . . .	[REDACTED]	[REDACTED]	[REDACTED]
Total . . . . .	<u>11,371</u>	<u>492</u>	<u>1,187</u>
Analyzed as:			
Current assets . . . . .	11,180	301	1,187
Non-current assets . . . . .	191	191	–
	<u>11,371</u>	<u>492</u>	<u>1,187</u>

**24. AMOUNTS DUE FROM/(TO) SUBSIDIARIES AND A SHAREHOLDER**

**The Company**

As at December 31, 2022, 2023 and September 30, 2024, the amounts due from/(to) subsidiaries and a shareholder are unsecured, interest-free and have no fixed repayment terms.

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**25. RESTRICTED CASH AND BANK AND CASH EQUIVALENTS**

	Notes	At December 31,		At September 30,
		2022	2023	2024
		RMB'000	RMB'000	RMB'000
<b>Non-current asset</b>				
Restricted cash . . . . .	(a)	5,000	5,000	5,000
<b>Current assets</b>				
Restricted cash . . . . .	(a)	2,456	3,493	5,621
Cash and cash equivalents . . . . .	(b)	15,887	40,114	24,455
Time deposits with original maturity over 3 months . . . . .		15,050	10,000	35,000
Total . . . . .		<u>38,393</u>	<u>58,607</u>	<u>70,076</u>

The carrying amounts of the Group’s restricted cash and bank and cash equivalents are denominated in RMB.

**a. Restricted cash**

	Notes	At December 31,		At September 30,
		2022	2023	2024
		RMB'000	RMB'000	RMB'000
<b>Non-current asset</b>				
Guarantee deposit . . . . .	(i)	5,000	5,000	5,000
<b>Current asset</b>				
Cash collected on behalf of other parties . . . . .	(ii)	2,456	3,493	5,621
Total . . . . .		<u>7,456</u>	<u>8,493</u>	<u>10,621</u>

Notes:

- (i) As the insurance intermediaries with licence issued by China Banking and Insurance Regulatory Commissions, Baigebao Insurance Brokers Co., Ltd is required to reserve 10% of registered capital, which are all placed as deposits in PRC commercial banks.
- (ii) Cash collected on behalf of other parties represents insurance premiums collected on behalf of insurance companies that have not been remitted as of the end of each reporting period.

**b. Cash and cash equivalents**

	At December 31,		At September 30,
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Cash on hand . . . . .	12	4	1
Cash at banks . . . . .	15,875	40,110	24,454
	<u>15,887</u>	<u>40,114</u>	<u>24,455</u>



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### 26. SHARE CAPITAL

Notes	December 31,				September 30,	
	2022		2023		2024	
	Number of shares		Number of shares		Number of shares	
	’000	RMB’000	’000	RMB’000	’000	RMB’000
<b>Paid-in capital:</b>						
At January 1 . . . . .	N/A	56,459	N/A	58,941	N/A	59,492
Capital injection . . . . . (a)	N/A	2,482	N/A	551	N/A	–
At December 31/ September 30 . . . . . (b)	<u>N/A</u>	<u>58,941</u>	<u>N/A</u>	<u>59,492</u>	<u>N/A</u>	<u>59,492</u>

*Notes:*

(a) On June 28, 2022, a capital increase agreement was entered into by Xiamen Meitong Luqi Equity Investment Partnership (Limited Partnership) (廈門市美桐陸期股權投資合夥企業(有限合夥)) (“Xiamen Meitong Luqi”), the Company and the then existing Shareholders of the Company, pursuant to which Xiamen Meitong Luqi subscribed for RMB2,481,500 in the registered capital of the Company at a consideration of RMB19,800,000. The consideration was fully paid up in cash on July 4, 2022.

On May 31, 2023, a capital increase agreement was entered into by Mr. Lin Baojie (林報捷), the Company and the existing Shareholders of the Company, pursuant to which Mr. Lin Baojie subscribed for RMB551,200 in the registered capital of the Company at a consideration of RMB8,000,000. The consideration was fully paid up in cash on March 27, 2023.

(b) On September 4, 2024, the shareholders approved a resolution to convert the Company into a joint-stock company with limited liability. The registered capital was set at RMB70,782,100, divided into 70,782,100 shares with a nominal value of RMB1.00 each. The registration was completed on October 14, 2024.

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern and to maximize the return to the shareholders through the optimization of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt divided to total equity. Net debt comprises lease liabilities, bank borrowings and financial instruments issued to investors. Total equity comprises all components of equity (i.e. share capital and other reserves). The Group has total deficit during the Track Record Period, the calculation of the debt-to-equity ratio during the Track Record Period is not meaningful.

### 27. RESERVES

#### (a) Group

The amounts of the Group’s reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

#### (b) Nature and purpose of reserves

##### (i) Share-based payment reserve

The share-based payment reserve represents the fair value of shares awarded to employees of the Group that are yet to vest, recognized in accordance with the accounting policy adopted for equity-settled share-based payments. This reserve is recorded in accordance with the principles outlined in note 4(q) to the Historical Financial Information.

##### (ii) Puttable shares reserve

The puttable shares reserve represents the present value of the redemption amount payable on initial recognition of the puttable shares liabilities recognised pursuant to the terms of the equity transfer agreement entered into by, among others, New Hope and Fujian Helihomei on April 16, 2021 as part of the Series A Financing (note 29).

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**28. LEASE LIABILITIES**

**The Group**

	Minimum lease payments			Present value of minimum lease payments		
	December 31,		September 30,	December 31,		September 30,
	2022	2023	2024	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within one year . . . . .	3,137	2,560	2,588	2,619	2,264	2,423
In the first to second year.	2,071	1,940	651	1,780	1,822	593
In the third to fifth years, inclusive . . . . .	1,486	993	566	1,423	928	540
	6,694	5,493	3,805	5,822	5,014	3,556
Less: Future finance charges . . . . .	(872)	(479)	(249)	—	—	—
Present value of lease obligations . . . . .	5,822	5,014	3,556	5,822	5,014	3,556
Less: Amount due for settlement within 12 months (shown under current liabilities) . . . . .				(2,619)	(2,264)	(2,418)
Amount due for settlement after 12 months . . . . .				3,203	2,750	1,138

During the Track Record Period, the weighted average incremental borrowing rates applied to lease liabilities range from 5.5% to 13.8%.

**The Company**

	Minimum lease payments			Present value of minimum lease payments		
	December 31,		September 30,	December 31,		September 30,
	2022	2023	2024	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within one year . . . . .	1,432	833	833	1,134	794	818
In the first to second year.	1,146	624	—	972	616	—
In the second to fifth years, inclusive . . . . .	860	—	—	821	—	—
	3,438	1,457	833			
Less: Future finance charges . . . . .	(511)	(47)	(15)	—	—	—
Present value of lease obligations . . . . .	2,927	1,410	818	2,927	1,410	818
Less: Amount due for settlement within 12 months (shown under current liabilities) . . . . .				(1,134)	(794)	(818)
Amount due for settlement after 12 months . . . . .				1,793	616	—

During the Track Record Period, the weighted average incremental borrowing rate applied to lease liabilities is 13.8% and minimum lease payments are denominated in RMB.

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**29. PUTTABLE SHARES LIABILITIES**

Registered capital with preferential rights is classified as a financial liability in accordance with the company’s accounting policy in note 4(1). The Company conducted two rounds of financing in 2021 and 2024 by issuing registered capital to investors and granting them certain preferential rights. The following table summarizes the registered capital with preferential rights in issue by series during the Track Record Period and as at the end of the Track Record Period, details of which are set out in the section headed “History, Development and Corporate Structure” in the Document.

Name of registered capital with preferential rights	Amount of registered capital with preferential rights				
	At beginning of the Track Record Period	Transfer of shares with preferential rights	At December 31, 2022, 2023 and January 1, 2024	Issued in 2024	At end of the Track Record Period
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Series A . . . . .	3,760	6,204	9,964	–	9,964
Series B . . . . .	–	–	–	1,326	1,326
Total . . . . .	<u>3,760</u>	<u>6,204</u>	<u>9,964</u>	<u>1,326</u>	<u>11,290</u>

**Series A Financing**

On April 16, 2021, a capital increase agreement was entered into by, among others, New Hope and the then existing Shareholders of the Company, pursuant to which New Hope subscribed for RMB3,760,000 in the registered capital of the Company at a consideration of RMB30,000,000, in which RMB21,000,000 was settled on May 31, 2021 and RMB9,000,000 was settled on May 19, 2023. Meanwhile, an equity transfer agreement was entered into by, among others, New Hope and Fujian Helihomei, pursuant to which Fujian Helihomei transferred approximately 9.34% of equity interest in the Company to New Hope at a consideration of RMB23,300,000, in which RMB16,310,000 was settled on May 9, 2022 and RMB6,990,000 was settled on May 19, 2023.

**Series B Financing**

On December 29, 2023, a capital increase agreement was entered into by Jiaxing Mianmiao Equity Investment Partnership (Limited Partnership) (嘉興緬邈股權投資合夥企業(有限合夥)) (“Jiaxing Mianmiao”), the Company and the then existing Shareholders of the Company, pursuant to which Jiaxing Mianmiao subscribed for RMB1,326,000 in the registered capital of the Company at a consideration of RMB19,250,000, which was settled on January 26, 2024.

Pursuant to the capital increase agreements, the key features of the registered capital with preferential rights, namely, redemption rights, liquidation preferences, anti-dilution rights and dividend commitment, granted to the Series A and Series B investors (collectively the “Financing Investors”) are summarized as below:

**Redemption rights**

If any of the following redemption events occurs, at the written request (the “Redemption Notice”) of the Financing Investors and subject to the applicable Laws, the Company or together with the controlling shareholders and beneficial owner shall redeem all or any portion of the outstanding registered capital with preferential rights held by such investor, at a redemption price.

**Redemption events of the Series A registered capital with preferential rights**

- (i) failure to complete a qualified initial public offering by December 31, 2025;
- (ii) any breach or violation of undertakings in transaction documents by any contracting parties and failure to take timely remediation;
- (iii) loss of control over the Company;
- (iv) engagement in illegal activities by the Company, shareholders and beneficial owner found;
- (v) exercise of redemption rights by other shareholders of the Company; and
- (vi) any liquidation events.

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The Series A redemption price shall be the total investment amount paid by, plus an annual simple interest rate of 6%, depending on different redemption events, calculated from the payment date of the investment amount to the payment date of the redemption amount, less any bonus or compensation fee from performance commitment received. The Company, controlling shareholders and beneficial owner shall redeem all or any portion of the registered capital with preferential rights held by the Series A investor with 30 calendar days after the date of Redemption Notice.

### *Modification of the financial instruments*

As of December 29, 2023, the interest rate of the redemption right for Series A investor was altered from an 8% compound interest to a 6% simple interest per annum. This adjustment resulted in a recognised gain of RMB5,086,000 (note 8), as the modification was not substantial and was recorded in the consolidated statements of profit or loss and other comprehensive income.

### *Redemption events of the Series B registered capital with preferential rights*

- (i) failure to complete a qualified initial public offering within 5 years from the date of signing the agreement (i.e. December 28, 2028);
- (ii) loss of control over the Company; and
- (iii) any material dishonesty of the Company and beneficial owner which creates substantial obstacles for the Company to complete a qualified initial public offering within 5 years from the date of signing the agreement (i.e. December 28, 2028).

The Series B redemption price shall be the total investment amount paid by investor, plus an annual simple interest rate of 6%, depending on different redemption events, calculated from the payment date of the investment amount to the payment date of the redemption amount, less any bonus, dividend or other equity returns received. The redemption rights of the Series B investor shall be exercised within 90 business days upon the occurrence of such events or otherwise be deemed to forfeit. The Company shall redeem all or any portion of the registered capital with preferential rights held by the Series B investor with 60 business days after the date of Redemption Notice.

### **Liquidation preferences**

Upon the occurrence of any liquidation events, including but not limited to the liquidation, dissolution or winding up of the Company, and change in control events, the Financing Investors shall be entitled to receive, prior to and in preference to any distribution or payment to any ordinary shareholder in the sequence of as follows: (1) Series B investor and (2) Series A investor.

First to the Series B investor, entitled to receive 100% of the total investment amount paid. After distribution or payment in full of the Series B liquidation preference and before any distribution or payment shall be made to any ordinary shareholder, Series A investor shall be entitled to receive the total investment amount, plus an annual compound interest rate of 8% for the period from the payment date of the investment amount up to the liquidation date. As of December 29, 2023, the redemption rate for Series A investor was altered from an 8% compound interest to a 6% simple interest per annum.

Any remaining assets shall be distributed amongst all shareholders rateably. If the assets available for distribution are insufficient, they shall be distributed among Series A and Series B investors on a pro-rata basis based on their shareholdings at that time.

### **Anti-dilution rights**

If the Company issues new shares at a price per share which is lower than the respective issue price of Series A and Series B shares, the Financing Investors shall have the right to choose any of the following ways to be compensated for the difference between the original subscription price and the new issue price:

- (i) to acquire further new shares issued by the Company at nil consideration or at minimum consideration permitted by law;
- (ii) to require the shareholders and/or the beneficial owner to transfer their shares at nil consideration or at minimum consideration permitted by law; and

## APPENDIX I ACCOUNTANTS’ REPORT OF THE GROUP

(iii) to require the Company and the existing shareholders to deliver cash to compensate the difference.

### Dividend commitment

The Financing Investors are entitled to dividend based on their shareholdings of not less than 20% of the profit after tax between 2023 and 2025 as stated in the capital increase agreements.

### Presentation and classification

The movements in the carrying amount of registered capital with preferential rights during the Track Record Period are as follows:

	Series A	Series B	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2022 . . . . .	26,725	–	26,725
Transfer of shares with preferential rights . . . . .	20,180	–	20,180
Interest on puttable shares liabilities . . . . .	4,746	–	4,746
At December 31, 2022 and January 1, 2023 . . . . .	51,651	–	51,651
Gain on modification of puttable shares liabilities . . . . .	(5,086)	–	(5,086)
Interest on puttable shares liabilities . . . . .	6,416	–	6,416
At December 31, 2023 and January 1, 2024 . . . . .	52,981	–	52,981
Issuance of puttable shares . . . . .	–	19,250	19,250
Gain on initial recognition of puttable shares liabilities . . . . .	–	(3,944)	(3,944)
Interest on puttable shares liabilities . . . . .	4,863	1,046	5,909
At September 30, 2024 . . . . .	57,844	16,352	74,196

The Group’s effective interest rate of the puttable shares liabilities was in a range from 10.4% to 12.4% for the year ended 31 December 2022 and 2023 and nine months ended 30 September 2024.

### 30. TRADE AND OTHER PAYABLES

#### The Group

	December 31,		September 30,
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables . . . . .	101,079	124,967	98,680
Insurance premium payable on behalf of insurance policy holders . . . . .	2,456	3,493	5,621
Salaries and welfare payables . . . . .	909	916	964
Amount due to a shareholder . . . . .	1,000	–	–
Accruals and payables for research and development expenses . . . . .	5,038	6,594	3,299
Accruals and payables for [REDACTED] . . . . .	–	–	[REDACTED]
Other payables . . . . .	1,454	1,136	1,229
	<u>10,857</u>	<u>12,139</u>	<u>14,709</u>
	<u>111,936</u>	<u>137,106</u>	<u>113,389</u>

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**The Company**

	December 31,		September 30,
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Trade payables . . . . .	32	1,919	33
Salaries and welfare payables . . . . .	421	499	605
Accruals and payables for research and development expenses . . . . .	5,038	6,594	3,299
Accruals and payables for [REDACTED] . . . . .	–	–	[REDACTED]
Other payables . . . . .	192	257	243
	<u>5,683</u>	<u>9,269</u>	<u>7,776</u>

The aging analysis of the Group’s trade payables is as follows:

	31 December		30 September
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Within 90 days . . . . .	98,437	116,847	85,486
91 to 180 days . . . . .	372	659	5,225
181 to 365 days . . . . .	486	3,714	5,001
Over 365 days . . . . .	1,784	3,747	2,968
	<u>101,079</u>	<u>124,967</u>	<u>98,680</u>

The carrying amounts of the Group’s trade payables are denominated in RMB as follows:

	December 31,		September 30,
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
RMB . . . . .	<u>101,079</u>	<u>124,967</u>	<u>98,680</u>

**31. BORROWINGS**

	December 31,		September 30,
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Bank borrowings . . . . .	–	–	<u>5,000</u>
The borrowings are repayable as follows:			
Within one year . . . . .	–	–	<u>5,000</u>

The carrying amounts of the Group’s borrowings are denominated in RMB.

During the nine months ended September 30, 2024, the Group entered into two one-year loan agreements with the bank for a loan amounted to RMB5,000,000 which is secured by a charge over one of the Group’s intellectual properties and personally guaranteed by a director, Mr. Tu. Subsequent to the Track Record Period, the personal guarantee provided by a director Mr. Tu was discharged in November 2024.

All of the borrowings are arranged at fixed interest rates. The interest rates during the Track Record Period are as follows:

	December 31,		Nine months ended
	2022	2023	September 30,
			2024
Interest rate . . . . .	<u>N/A</u>	<u>N/A</u>	<u>3.2%</u>

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**32. SHARE-BASED PAYMENTS**

With the purpose of incentivising the Group’s employees, directors or consultants and hence improving the profitability and sustainability of the Group, the Group initiated a share award scheme on April 1, 2020.

The terms and agreement of the share award scheme proposes that Xiamen Baige Tongchuang Equity Investment Partnership (Limited Partnership) (“Baige Tongchuang”), a limited partnership company and one of the shareholders of the Group, will act as a shareholding platform for the Group’s employees. Checked to the investment of Baige Tongchuang confirming that it mainly serves the purpose of acting as the shareholding platform for the company. By granting employees ownership in Baige Tongchuang will represent the holding of the Group’s shares indirectly. Fujian Heliheimei, the substantial shareholder of the Group and immediate holding Company of Baige Tongchuang, will act on behalf of the qualified employees regarding shareholding until the completion of the business registration changes for the transferral of shares to qualified employees.

On April 1, 2020, the share award scheme was implemented. The equity of Baige Tongchuang was RMB5 million. Baige Tongchuang held equity in the Company of RMB9.4 million, representing 15% of the Group’s equity. The maximum allocation for the share award scheme is set at RMB3 million, or 60% of Baige Tongchuang’s total equity, which corresponds to a holding of registered capital of RMB5.6 million. Considering this maximum amount, qualified employee will be granted equity of Baige Tongchuang in tranches, thereby indirectly receiving economic interest in the pro rata portion of the Group’s underlying shares.

Equity-settled share-based payments are measured at the fair value of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. The shares granted would vest on condition that employees remain in service until initial [REDACTED] of the Group without any performance requirements.

A total of 2 lots of share-based payment were being allotted as of September 30, 2024. On the first grant date of 1 April 2020, the employee stock ownership platform, Baige Tongchuang, granted shares to 12 employees. The number of award shares were numbered to 774,000. The shares granted shall not be vesting until initial [REDACTED] of the Group without any performance requirements.

On the second grant date of January 10, 2023, the employee stock ownership platform, Baige Tongchuang, granted shares to further 4 employees. The number of award shares were numbered to 496,000. The shares granted shall not be vesting until initial [REDACTED] of the Group without any performance requirements.

- (a) The movements in the awarded shares during the period are as below:

	Year ended December 31,		Nine month ended September 30,	
	2022	2023	2023	2024
	RMB’000	RMB’000	RMB’000	RMB’000
Outstanding at the beginning of the year/period. . . . .	774	774	774	1,270
Granted during the year/period. . . . .	—	496	496	—
Outstanding at the end of the year/period . . . . .	<u>774</u>	<u>1,270</u>	<u>1,270</u>	<u>1,270</u>

- (b) The grant price and hence the fair value at grant date is independently determined using an adjusted Black-Scholes model, which combines with the Discount for Lack of Marketability (DLOM) model that takes into account the term of the option, the share price, the risk-free interest rate, the volatility over the term of the option, which is the expected date for the initial [REDACTED] of the Group, and the lack of marketability.

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The details for the grant price as of the grant date is as follow:

Grant Date	Fair value at grant date (per share)	Registered Capital of the Company	Fair Value at grant date
	RMB	RMB'000	RMB'000
April 1, 2020 . . . . .	4.5	774	3,483
January 10, 2023 . . . . .	11.5	496	5,704

(c) Total expenses arising from share-based payments recognized during the period as part of staff costs were as follows:

	Year ended December 31,		Nine month ended September 30,	
	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Staff Cost . . . . .	<u>606</u>	<u>2,390</u>	<u>1,775</u>	<u>1,833</u>

(d) The movement of the share-based payment reserve arising from share-based payments recognized during the period were as follows:

	Year ended December 31,		Nine month ended September 30,	
	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Share-based payment reserve at the beginning of the year/period . . . . .	1,060	1,666	1,666	4,056
Staff Cost related to share-based payment . . . . .	<u>606</u>	<u>2,390</u>	<u>1,775</u>	<u>1,833</u>
Share-based payment reserve at the ending of the year/period . . . . .	<u>1,666</u>	<u>4,056</u>	<u>3,441</u>	<u>5,889</u>

**33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**

**(a) 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 Group’s consolidated statement of cash flows as cash flows from financing activities.

	Borrowings	Lease liabilities	Puttable shares liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022 . . . . .	3,000	7,349	26,725	37,074
Cash flows . . . . .	(3,036)	(1,784)	–	(4,820)
Transfer of shares with preferential rights . . . . .	–	–	20,180	20,180
Finance cost . . . . .	36	754	4,746	5,536
Covid-19 related rent concessions . . . . .	–	(497)	–	(497)
At December 31 2022 and January 1, 2023 . . . . .	<u>–</u>	<u>5,822</u>	<u>51,651</u>	<u>57,473</u>



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	<u>Borrowings</u>	<u>Lease liabilities</u>	<u>Puttable shares liabilities</u>	<u>Total</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cash flows . . . . .	–	(3,353)	–	(3,353)
Entering into new leases . . . . .	–	2,891	–	2,891
Finance cost . . . . .	–	488	6,416	6,904
Modification of lease/puttable shares liabilities . . . . .	–	(449)	(5,086)	(5,535)
Disposal . . . . .	–	(385)	–	(385)
At December 31, 2023 and January 1, 2024 . . . . .	<u>–</u>	<u>5,014</u>	<u>52,981</u>	<u>57,995</u>
Cash flows . . . . .	4,922	(1,893)	–	3,029
Issuance of puttable shares . . . . .	–	–	19,250	19,250
Gain on initial recognition of puttable shares liabilities . . . . .	–	–	(3,944)	(3,944)
Entering into new leases . . . . .	–	191	–	191
Finance cost . . . . .	78	244	5,909	6,231
At September 30, 2024 . . . . .	<u>5,000</u>	<u>3,556</u>	<u>74,196</u>	<u>82,752</u>

	<u>Borrowings</u>	<u>Lease liabilities</u>	<u>Puttable shares liabilities</u>	<u>Total</u>
	<i>RMB’000</i> <i>(unaudited)</i>	<i>RMB’000</i> <i>(unaudited)</i>	<i>RMB’000</i> <i>(unaudited)</i>	<i>RMB’000</i> <i>(unaudited)</i>
At January 1, 2023 . . . . .	–	5,822	51,651	57,473
Cash flows . . . . .	–	(2,653)	–	(2,653)
Entering into new leases . . . . .	–	2,252	–	2,252
Finance cost . . . . .	–	388	4,741	5,129
Lease modification . . . . .	–	(449)	–	(449)
Disposal . . . . .	–	(385)	–	(385)
At September 30, 2023 . . . . .	<u>–</u>	<u>4,975</u>	<u>56,392</u>	<u>61,367</u>

**(b) Total cash outflow for leases**

Amounts included in the cash flow statements for leases comprise the following:

	<u>Year ended December 31,</u>		<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2023</u>	<u>2023</u>	<u>2024</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(unaudited)</i>	<i>RMB’000</i>
Within financing cash flows . . . . .	<u>1,784</u>	<u>3,353</u>	<u>2,653</u>	<u>1,893</u>
	<u>1,784</u>	<u>3,353</u>	<u>2,653</u>	<u>1,893</u>

These amounts relate to the following:

	<u>Year ended December 31,</u>		<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2023</u>	<u>2023</u>	<u>2024</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(unaudited)</i>	<i>RMB’000</i>
Lease rental paid . . . . .	<u>1,784</u>	<u>3,353</u>	<u>2,653</u>	<u>1,893</u>

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**(c) Major non-cash transactions**

For the years ended December 31, 2022 and 2023, and the nine months ended September 30, 2024, additions to right-of-use assets amounting to Nil, RMB2,891,000, and RMB191,000, respectively, were financed by lease liabilities.

**34. CONTINGENT LIABILITIES**

During the Track Record Period, the Group and the Company did not have any significant contingent liabilities.

**35. CAPITAL COMMITMENTS**

During the Track Record Period, the Group and the Company did not have any significant contractual and capital commitments.

**36. RELATED PARTY TRANSACTIONS AND BALANCES**

**The Group**

(a) In addition to those related party transactions and balances disclosed elsewhere in the Historical Financial Information, the Group had the following transaction with its related party during the Track Record Period:

*(i) Related party transactions*

	Year ended December 31,		Nine months ended September 30,	
	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000 <i>(unaudited)</i>	RMB'000
Interest income from bank under significant influences of substantial shareholder. . . . .	125	1,030	784	1,094
Referral and service fee paid to entities controlled by substantial shareholder . . . . .	99	-	-	-

*(ii) Related party balance*

	31 December		30 September
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Time deposit in a bank under significant influences of substantial shareholder . . . . .	15,050	10,000	35,000
Cash in a bank under significant influences of substantial shareholder. . . . .	5,070	29,900	11,906

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(b) The remuneration of directors and other members of key management during the Track Record Period was as follows:

	Year ended December 31,		Nine months ended September 30,	
	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(unaudited)</i>	
Salaries, bonuses and allowances. . .	2,108	2,969	2,006	2,036
Equity-settled share-based payments.	372	1,183	879	905
Retirement benefits scheme contributions. . . . .	218	230	172	154
	<u>2,698</u>	<u>4,382</u>	<u>3,057</u>	<u>3,095</u>

(c) During the nine months ended September 30, 2024, the Group entered into two one-year loan agreements with the bank for a loan amounted to RMB5,000,000 which is secured by a charge over one of the Group’s intellectual properties and personally guaranteed by a director, Mr. Tu. Subsequent to the Track Record Period, the personal guarantee provided by a director Mr. Tu was discharged in November 2024.

**37. EVENT AFTER REPORTING PERIOD**

On September 19, 2024, the shareholders of the Company approved a resolution to convert the Company into a joint stock company with limited liability. The registered capital was set at RMB70,782,100, divided into 70,782,100 shares with a nominal value of RMB1.00 each. The registration was completed on October 14, 2024.

The Company entered into three capital increase agreements with series C investors on October 1, 2024, December 10, 2024 and January 16, 2025 respectively. Series C investors agreed to subscribe for the increased registered capital of RMB1,036,958 of the Company at the total consideration of RMB29,300,000.

**38. SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared by the Company and its subsidiaries comprising the Group in respect of any period subsequent to September 30, 2024.

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**APPENDIX II**

**UNAUDITED [REDACTED] FINANCIAL INFORMATION**

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[REDACTED]

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**APPENDIX II**

**UNAUDITED [REDACTED] FINANCIAL INFORMATION**

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[REDACTED]

## APPENDIX III

## TAXATION AND FOREIGN EXCHANGE

### 1. TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current law and practice, is subject to change, and does not constitute legal or tax advice. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of the Latest Practicable Date, which is subject to change and may have retrospective effect.

#### The PRC Taxation

##### A. *Taxation on Dividends*

###### *Individual Investors*

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the “IIT Law”), which was latest amended on August 31, 2018 and came into effect on January 1, 2019, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was latest amended on December 18, 2018 and came into effect on January 1, 2019, dividends distributed by PRC enterprises are subject to PRC withholding tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to withholding tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by applicable tax treaty.

Pursuant to the Circular on Certain Issues Concerning the Policies of Individual Income Tax (《關於個人所得稅若干政策問題的通知》) promulgated by the Ministry of Finance and the State Administration of Taxation on May 13, 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) (Cai Shui [2015] No. 101) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC on September 7, 2015 and came into effect on September 8, 2015, where an individual holds more than one year of the shares of a listed company obtained from the public offering and transfer of the stock market of the listed company, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfer of the stock market by the listed company, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the

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holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), signed on August 21, 2006, the PRC Government has the authority to impose taxes on dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC company. However, if a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company.

The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), in effect since December 6, 2019, states that such treaty benefits shall not apply to arrangements or transactions made for the primary purpose of gaining such tax benefit. Exceptions are made when such benefits align with the Arrangement’s relevant objectives and goals.

Additionally, the application of the dividend clause of tax agreements is bound by the stipulations outlined in the PRC tax laws and regulations, including the guidelines specified in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81), in effect since February 20, 2009. Compliance with these regulations is essential in determining the taxation applicable to dividends under the Arrangement.

### *Enterprise Investors*

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”) enacted by the National People’s Congress (“NPC”) on March 16, 2007, and enforced from January 1, 2008, subsequently amended on February 24, 2017, and December 29, 2018, and the Implementation Regulations of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, and effective from January 1, 2008, amended in 2019, a non-resident enterprise is subject to a 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business in the PRC but the PRC-sourced income is not actually connected with such establishment or place of business in the PRC. Such withholding tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

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Such withholding tax payable by non-resident enterprises is deducted at source, where the payer, as the obligor for the withholding tax, is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

The Circular on Issues Relating to the Withholding and Remitting of Corporate Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897), which was issued by the STA on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on the dividends of 2008 and onwards that it distributes to overseas nonresident enterprise shareholders of H Shares. In addition, the Response to Questions on Levying Corporate Income Tax on Dividends Derived by Nonresident Enterprise from Holding Stock such as B Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) (Guo Shui Han [2009] No. 394), which was issued by the STA and implemented on July 24, 2009, further provides that any PRC-resident enterprise listed on overseas stock exchanges must withhold and remit corporate income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to nonresident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with the relevant jurisdictions, where applicable.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed on August 21, 2006, the PRC Government has the authority to impose taxes on dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company.

The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), in effect since December 6, 2019, states that such treaty benefits shall not apply to arrangements or transactions made for the primary purpose of gaining such tax benefit. Exceptions are made when such benefits align with the Arrangement's relevant objectives and goals.

Additionally, the application of the dividend clause of tax agreements is bound by the stipulations outlined in the PRC tax laws and regulations, including the guidelines specified in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81), in effect since February 20, 2009. Compliance with these regulations is essential in determining the taxation applicable to dividends under the Arrangement.



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### *Tax Treaties*

Non-PRC resident investors residing in countries which have entered into agreements for the avoidance of double taxation with the PRC are entitled to a reduction of the withholding taxes imposed on the dividends received from PRC companies. The PRC has entered into Avoidance of Double Taxation Arrangements with a number of countries and regions including but not limited to Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States.

Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant income tax treaties or arrangements are required to apply to the PRC tax authorities for a refund of the withholding tax in excess of the agreed tax rate, and the refund payment is subject to approval by the PRC tax authorities.

### ***B. Taxation on Share Transfer***

#### *Value-Added Tax and Local Surcharges*

Under the guidelines outlined in the Notice on the Full Implementation of the Pilot Program for Transition from Business Tax to Value-Added Tax (《關於全面推開營業稅改徵增值稅試點的通知》) (Cai Shui [2016] No. 36) (“Circular 36”), effective from May 1, 2016, and subsequently amended on July 11, 2017, December 25, 2017, and March 20, 2019, individuals and entities conducting service transactions within the PRC are obligated to pay Value-Added Tax (“VAT”). “Sales of services within the PRC” are defined as transactions where either the service provider or the recipient is situated within the PRC.

Furthermore, Circular 36 specifies that the transfer of financial products, including the ownership transfer of marketable securities, is subject to a VAT rate of 6% on the taxable income. Taxable income, in this context, refers to the sales price balance after deducting the purchase price. This VAT obligation applies to both general and foreign VAT taxpayers. Notably, individuals are exempt from VAT obligations when engaging in the transfer of financial products.

As per the aforementioned regulations, non-resident individuals selling or disposing of H shares are exempt from VAT in the PRC. However, if the holders are non-resident enterprises, they may avoid VAT in the PRC only if the buyers of the H shares are individuals or entities located outside of the PRC. Conversely, the holders might be subject to VAT in the PRC if the buyers of the H shares are individuals or entities situated within the PRC.

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### *Income Taxes*

#### (a) Individual Investors

Under the IIT Law, gains arising from the transfer of equity interests in PRC resident enterprises are subject to individual income tax at a rate of 20%. However, in accordance with the Circular of the Ministry of Finance (“MOF”) and the STA on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61), issued jointly by the MOF and STA on March 30, 1998, gains obtained by individuals from the transfer of shares of listed companies have been temporarily exempted from individual income tax since January 1, 1997.

However, on December 31, 2009, the MOF, the STA, and the CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167). This circular, effective from January 1, 2010, stipulates that individuals’ income derived from the transfer of listed shares acquired through public offerings and trading on the Shanghai Stock Exchange and the Shenzhen Stock Exchange remains exempt from individual income tax. This exemption applies to shares not subject to sales restrictions, as defined in the Supplementary Notice on Issues Concerning the Individual Income Tax on Individuals’ Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70), jointly issued by the three aforementioned departments and effective from November 10, 2010.

As of the Latest Practicable Date, there are no provisions expressly stating that individual income tax shall be imposed on non-PRC resident individuals for the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

#### (b) Enterprise Investors

In accordance with the EIT Law and the Implementation Regulations of the Enterprise Income Tax Law of the PRC, non-resident enterprises are typically subject to a 10% enterprise income tax on income sourced within the PRC. This includes gains realized from the disposal of equity interests in a PRC resident enterprise. However, this taxation applies only if the non-resident enterprise does not maintain a physical establishment or premises in the PRC, or if it does have such establishments in the PRC, but its PRC-sourced income is not genuinely connected with those establishments. The withholding of income tax for non-resident enterprises is executed at the source, with the entity making the payment acting as the withholding agent. This withholding agent is obliged to deduct the income tax from each payment or due payment made to the non-resident enterprise. It’s important to note that the tax liability may be reduced or exempted in accordance with applicable tax treaties or agreements on the avoidance of double taxation.

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### *Stamp Duty*

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), as issued by the Standing Committee of the NPC on June 10, 2021 and came into effect on July 1, 2022, the PRC stamp duty is applicable to all kinds of documents which are legally binding in the PRC and protected by the PRC laws. Therefore, the PRC stamp duty does not apply to the acquisition or disposal of H Shares outside the PRC.

### *Estate Duty*

Under prevailing PRC legislation, there is presently no imposition of estate duty within the jurisdiction.

### **Hong Kong Taxation**

#### ***A. Tax on Dividends***

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

#### ***B. Capital Gains and Profit Tax***

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of the H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. The gains of certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes. Trading gains from sales of H Shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Hong Kong Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

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### *C. Stamp Duty*

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK\$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties of the transfer is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

### *D. Estate Duty*

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong, pursuant to which no Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after February 11, 2006.

## 2. FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi ("RMB"), which is currently subject to foreign exchange control and cannot be freely converted into foreign exchange. The SAFE, under the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

On January 29, 1996, the State Council promulgated the Regulations on Foreign Exchange Administration of the PRC (《中華人民共和國外匯管理條例》) (the "Regulations on Foreign Exchange Administration") which became effective on April 1, 1996. The Regulations on Foreign Exchange Administration classifies all international payments and transfers into current account items and capital account items. Most of the current account items are no longer subject to the SAFE's approval, while capital account items are still subject to such approval. The Regulations on Foreign Exchange Administration were subsequently amended on January 14, 1997, and August 5, 2008. The latest amendment to the Regulations on Foreign Exchange Administration clearly states that PRC will not impose any restriction on international payments and transfers under the current account items.

On June 20, 1996, PBOC promulgated the Provisional Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) (the "Settlement Regulations"), which became effective on July 1, 1996. The Settlement Regulations abolished all other restrictions on convertibility of foreign exchange under current account items, while retaining the existing restrictions on foreign exchange transactions under capital account items.

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According to the Announcement on Reforming the RMB Exchange Rate Regime issued by the PRC (《中國人民銀行關於完善人民幣匯率形成機制改革的公告》) (PBOC Announcement [2005] No. 16) on July 21, 2005, starting from July 21, 2005, the PRC will reform the exchange rate regime by moving into a managed floating exchange rate regime based on market supply and demand with reference to a basket of currencies. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC will announce the closing price of a foreign currency such as the U.S. dollar traded against the RMB in the interbank foreign exchange market after the closing of the market on each working day, and will make it the central parity for the trading against the RMB on the following working day.

On August 5, 2008, the State Council promulgated the amended Regulations on Foreign Exchange Administration (the "Amended Regulations on Foreign Exchange") which made significant changes on the supervisory system for foreign exchange in the PRC. Firstly, the Amended Regulations on Foreign Exchange adopted balanced treatment on the inflow and outflow of foreign capital. Incomes in foreign currencies overseas can be remitted to the PRC or remained overseas, and foreign currencies of capital account items and funds for settlement in foreign currencies can only be used according to the purposes approved by relevant competent authorities and foreign exchange administration. Secondly, the Amended Regulations on Foreign Exchange improved the RMB exchange mechanism based on market supply and demand. Thirdly, the Amended Regulations on Foreign Exchange enhanced the monitoring of cross-border capital flow in foreign currencies, whereby the state could implement necessary protection or controlling measures on international balance of payments when material imbalance of income and expenses related to cross-border trading arise or might arise, or serious crises in the domestic economy occur or might occur. Fourthly, the Amended Regulations on Foreign Exchange enhanced the regulation and administration on foreign currency trading, and granted extensive authorization to the SAFE to enhance its supervisory and administrative capacity.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment from foreign exchange accounts opened at the designated foreign exchange banks, on the strength of valid transaction receipt or proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange banks or effect exchange and payment at the designated foreign exchange banks.

On October 23, 2014, the State Council promulgated the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批專案等事項的決定》) (Guo Fa [2014] No. 50), which decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

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On December 26, 2014, the SAFE promulgated and implemented the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) (Hui Fa [2014] No. 54), pursuant to which, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the PRC or deposited overseas, but the use of the proceeds shall be consistent with the contents as specified in the document and other disclosure documents.

According to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (Hui Fa [2015] No. 13) promulgated by the SAFE on February 13, 2015 and took effect on June 1, 2015, two of the administrative examination and approval items, being the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment have been canceled, the foreign exchange registration under domestic direct investment and overseas direct investment shall be directly examined and handled by banks. The SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Administration of Foreign Exchange Settlement under Capital Accounts (《國家外匯管理局關於改革和規範資本專案結匯管理政策的通知》) (Hui Fa [2016] No. 16) issued by the SAFE and came into effect on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation. The proportion of discretionary settlement of domestic institutions' foreign exchange receipts under the capital account is temporarily determined as 100%. The SAFE may, based on the international balance of payments, adjust the aforesaid proportion at appropriate time.

On January 26, 2017, the SAFE issued the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) (Hui Fa [2017] No. 3) to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading; allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization; allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones; and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

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On October 23, 2019, the SAFE issued the Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (Hui Fa [2019] No. 28), which, among other things, allows all foreign investment enterprises to use Renminbi converted from foreign currency denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment.

According to the Circular of the State Administration for Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated with effect from April 10, 2020, by the SAFE, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance and complying with the prevailing administrative provisions on use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc., for domestic payment, without the need to provide proof materials for veracity to the bank beforehand for each transaction.

## APPENDIX IV

## SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

### THE PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (the “Constitution”) and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC Government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the “Legislation Law”), the NPC and SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws governing criminal and civil matters, State institutions and other matters. The SCNPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people’s congresses of the provinces, autonomous regions and municipalities and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses of cities with districts and their respective standing committees may formulate local regulations with respect to urban and rural construction and administration, ecological civilization construction, historical and cultural protection, grassroots governance and other aspects according to the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations of cities with districts will become enforceable after being reported to and approved by the standing committees of the people’s congresses of the relevant provinces or autonomous regions. The standing committees of the people’s congresses of the provinces or autonomous regions examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people’s congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people’s governments of the provinces or autonomous regions concerned, a decision should be made by the standing committees of the people’s congresses



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of provinces or autonomous regions to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries, commissions of the State Council, the PBOC, the National Audit Office, institutions with administrative functions directly under the State Council, and other institutions stipulated by law may formulate rules and regulations within the power of their respective departments based on the laws, administrative regulations, decisions and rulings of the State Council. Matters governed by the departmental rules and regulations should be those for the enforcement of the laws, administrative regulations, decisions and rulings of the State Council. The people's governments of provinces, autonomous regions and municipalities directly under the central government and cities divided into districts and autonomous regions may formulate rules, in accordance with laws, administrative regulations and relevant local regulations of provinces, autonomous regions and municipalities directly under the central government.

Pursuant to the Resolution of the SCNPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, issues related to the further clarification or supplement of laws or decrees should be interpreted by the SCNPC or provided by with decrees, issues related to the application of laws in a court trial should be interpreted by the Supreme People's Court, issues related to the application of laws in a prosecution process should be interpreted by the Supreme People's Procuratorate, and the application of other laws and decrees in matters other than those involved in trial or prosecution process should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws and regulations is vested in the regional legislative and administrative authorities which promulgate such laws and regulations.

### THE PRC JUDICIAL SYSTEM

Under the Constitution, the Law of Organization of the People's Courts of the PRC (2018 revision) (《中華人民共和國人民法院組織法(2018修訂)》) and the Law of Organization of the People's Procuratorate of the PRC (2018 revision) (《中華人民共和國人民檢察院組織法(2018修訂)》), the people's courts of the PRC are classified into the Supreme People's Court, the local people's courts at various levels, and other special people's courts. The local people's courts at various levels are divided into three levels, namely, the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts may set up a number of people's tribunals based on the facts of the region, population and cases. The Supreme People's Court is the highest judicial authority. The Supreme People's Court shall supervise the judicial work of the local people's courts at all levels and special people's courts, and people's courts at higher levels shall supervise the judicial work of people's courts at lower levels. The Chinese People's Procuratorates are divided into the Supreme People's

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Procuratorate, local people’s procuratorates at various levels, and specialized people’s procuratorates such as the Military Procuratorate. The Supreme People’s Procuratorate is the highest procuratorial organ. The Supreme People’s Procuratorate directs the work of the local people’s procuratorates and specialized people’s procuratorates at all levels, and the people’s procuratorates at higher levels direct the work of the people’s procuratorates at lower levels.

The people’s court takes the rule of the second instance as the final rule, that is, the judgments or rulings of the second instance of the people’s court are final. The parties may appeal against the judgment or ruling of the first instance of a local people’s court. The people’s procuratorate may present a protest to the people’s court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people’s procuratorate within the stipulated period, the judgments or rulings of the people’s court are final. Judgments or rulings of the second instance of the intermediate people’s courts, the higher people’s courts and the Supreme People’s Court are final. The first judgments or rulings of the Supreme People’s Court are also final. However, if the Supreme People’s Court or a people’s court at the next higher level discovers an error in the final and binding judgment or ruling which has taken effect in any people’s court at a lower level, or the presiding judge of a people’s court discovers an error in a final and binding judgment which has taken effect in the court over which he presides, a retrial of the case may be initiated according to the judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the “PRC Civil Procedure Law”) adopted on April 9, 1991 and amended five times on October 28, 2007, August 31, 2012, June 27, 2017, December 24, 2021 and September 1, 2023 prescribes the conditions for instituting a civil action, the jurisdiction of the people’s courts, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. Each party to a civil action conducted within the PRC must comply with the relevant provisions of the PRC Civil Procedure Law. A civil case is generally heard by the court located in the defendant’s place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people’s court having jurisdiction should be located at places directly connected with the disputes, such as the plaintiff’s or the defendant’s place of domicile, the places where the contract is executed or signed or the place where the object of the action is located. Meanwhile, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a person without nationality, a foreign enterprise and organization is given the same litigation rights and obligations as a citizen, a legal person and other organization of the PRC when initiating actions or defending against litigation at the people’s court. Should a foreign court limit the litigation rights of citizens, a legal person, and other organizations of the PRC, the PRC court may apply the same limitations to the civil litigation rights to citizens, enterprises and organizations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at the people’s court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people’s

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court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people’s court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people’s court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people’s court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgment which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment on the party.

Where a party applies for enforcement of a legally effective judgment or ruling made by a people’s court, and the opposite party or his property is not within the territory of the PRC, the applicant may directly apply to a foreign court with jurisdiction for recognition and enforcement of the judgment or ruling, or the people’s court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or the principle of reciprocity, request recognition and enforcement by a foreign court. Similarly, where an effective judgment or ruling made by a foreign court needs to be recognized and enforced by the people’s court of the PRC, unless the people’s court considers that the recognition or enforcement of the judgment or ruling would violate the basic legal principles of the PRC, national sovereignty, national security or social and public interest, the parties involved may directly apply to an intermediate people’s court of the PRC with jurisdiction for recognition and enforcement, or the foreign court may, in accordance with the provisions of international treaties entered into or acceded to by that country and the PRC or according to the principle of reciprocity, request the people’s court to recognize and enforce it.

### **THE TRIAL ADMINISTRATIVE MEASURES OF OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES**

On February 17, 2023, CSRC promulgated the Trial Administrative Measures, which came into effect on March 31, 2023 and is applicable to direct and indirect overseas share subscription and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

### **THE GUIDELINES FOR THE ARTICLES OF ASSOCIATION OF LISTED COMPANIES**

On December 15, 2023, the CSRC Promulgated the latest amended Guidelines for the Articles of Association of Listed Companies” (the “Guidelines for the Articles of Association”). According to the Trial Administrative Measures and its supporting guidelines, Guidelines for the Application of Regulatory Rules — Overseas Listing Category No. 1, domestic enterprises that are directly listed overseas shall formulate its Articles of Association

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with reference to the Guidelines for the Articles of Association and other relevant provisions of the CSRC on main provisions of the PRC Company Law, the Trial Administrative Measures and the Guidelines for the Articles of Association.

### THE COMPANY LAW OF THE PRC

The Company Law of the People’s Republic of China (hereinafter referred to as the “PRC Company Law”) was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993 and came into effect on July 1, 1994. It was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The newly revised PRC Company Law will be implemented on July 1, 2024.

A “joint stock limited company” refers to a corporate legal person incorporated in China under the PRC Company Law with independent legal person properties and entitlements to such legal person properties. The liability of the company for its own debts is limited to the total amount of all assets it owns and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

The joint stock limited companies shall carry out business in compliance with the requirements of laws and administrative regulations. They may invest in other limited liability companies and joint stock limited companies, and its liabilities for an invested company are limited to the extent of its investment amount. Unless otherwise provided by laws, the joint stock limited companies shall not assume any joint liability for the debts of an invested company in its capacity as a capital contributor.

### Incorporation

A company may be incorporated by promotion or raising. A company shall be incorporated by 1 to 200 promoters, provided that at least more than half of the promoters should reside in the PRC. The registered capital of a joint stock limited company shall be the capital stock of which the shares have been issued, registered with the company registration authority. Before the capital for the shares subscribed for by the promoters are paid in full, the company may not offer any share to others. If laws, administrative regulations and decisions of the State Council have separate provisions on the minimum registered capital, the company should follow such provisions.

For companies incorporated by way of promotion, the promoters shall fully subscribe for the shares that shall be issued at the time of formation of the company as specified in the company’s bylaw. Procedures relating to the transfer of titles to non-monetary assets shall be duly completed if such assets are to be contributed as capital. Promoters who fail to pay up their capital contributions in accordance with the foregoing provisions shall assume default liabilities in accordance with the covenants set out in the promoters’ agreements. After the promoters have confirmed the capital contribution under the Articles of Association, a Board

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of Directors and a Board of Supervisors shall be elected and the Board of Directors shall authorize a representative to apply to the company registration authority for incorporation within 30 days of conclusion of the company's formation meeting.

Where companies are incorporated by raising, not less than 35% of the total shares that shall be issued at the time of formation of the company as specified in the company's bylaw, unless otherwise provided for by laws or administrative regulations. A prospectus shall be published and a subscription letter shall be prepared when the company offer shares to the public. The subscription letter shall be filled in by the subscriber with the number of shares to be subscribed, amount, address, and signed or sealed. The subscribers shall pay up monies for the shares in full amount according to the number of shares they has subscribed to. Where a company is offering shares to the public, such offer shall be underwritten by security companies established under PRC laws, and an underwriting agreement shall be concluded thereon. A company offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and furnish evidence of receipt of those subscription monies to relevant authorities. After the subscription monies for the share issue have been paid in full, a capital verification institution established under PRC law must be engaged to conduct a capital verification and furnish a certificate thereof. The promoters shall convene an formation meeting within 30 days of full payment of the shares that shall be issued at the time of formation of the company. The formation meeting shall be formed by the promoters and subscribers. Where the shares issued remain under subscribed by the cut-off date stipulated in the document, or where the promoter fails to convene an formation meeting within 30 days after the subscription monies for the shares issued being fully paid up, the subscribers may demand that the promoters refund the subscription monies so paid together with the interest at bank rates of a deposit for the same period. Within 30 days of the conclusion of the formation meeting, the Board of Directors shall authorize a representative to apply to the company registration authority for registration of the establishment of the company. A company is formally established and has the status of a legal person after approval of registration has been given by the company registration authority and a business license has been issued.

The promoters of a company shall:

- (1) individually and jointly be liable for the payment of all liabilities and expenses incurred in the incorporation process if the company cannot be incorporated;
- (2) individually and jointly be liable for the repayment of subscription monies to the subscribers together with interest at bank rates of a deposit for the same period if the company cannot be incorporated; and
- (3) be liable for compensation of damages suffered by the company as a result of the default of the promoters in the course of incorporation of the company.

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### Share Capital

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights or land use rights or equities or claims which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out pursuant to the provisions of the laws or administrative regulations on valuation without any over-valuation or under-valuation.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The same price per share shall be paid by any share subscriber (whether an entity or an individual). The stocks representing par value shares may be issued at a price equal to or at a premium to their par value, but shall not be issued at a price below par value.

### Increase in Share Capital

Pursuant to the PRC Company Law, an increase in the capital of a company by means of an issue of new shares should be approved by shareholders' meeting; or under the articles of association of the company or the authorization of the shareholders' meeting, the Board of directors could decide to issue not more than 50% of the shares that have been issued within three years, provided that if the capital contributions are to be made using non-monetary property, they shall be subject to a resolution made by the shareholders' meeting. In addition, the Securities Law of the PRC (the "PRC Securities Law") also stipulates the following conditions for the company's public offering of new shares:

- (1) have a sound organizational structure with satisfactory operating;
- (2) have the capability of sustainable operation;
- (3) have been issued with an unqualified opinion audit report by the auditor for the company's financial accounting documents in the latest three years;
- (4) the issuer and its controlling shareholder(s) and actual controlling party do not have criminal record during the past three years for corruption, bribery, encroachment of assets, misappropriation of assets or disruption of socialist market economy order; and
- (5) other conditions required by the securities administration department of the State Council as approved by the State Council. After the new shares issued by the company have been fully paid up, the change must be registered with the company registration authority and a public announcement shall be made.

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### Reduction of Share Capital

The Company shall reduce the registered capital in accordance with the following procedures as stipulated in the PRC Company Law:

- (1) the company shall prepare a balance sheet and an inventory of properties;
- (2) make a resolution at a shareholders' meeting to reduce the registered capital;
- (3) the company shall notify its creditors within 10 days after making the resolution to reduce the registered capital and publish the relevant announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days;
- (4) a creditor may, within 30 days after receipt of the notification, or within 45 days after the date of announcement if he/she has not received the notification, have the right to request the company to repay its debts or provide relevant guarantees; and
- (5) the company must apply to the companies registration authority for a change in registration.

### Repurchase of Shares

Under the provisions of the PRC Company Law, a company shall not repurchase its own shares except in the following circumstances:

- (1) reduction of the registered capital of the company;
- (2) merger with another company that holds its shares;
- (3) use of its shares for carrying out an employee stock ownership plan or equity incentive plan;
- (4) request from shareholders who object to a resolution of a shareholders' meeting on merger or division of the company to acquire their shares by the company;
- (5) use of shares for conversion of convertible corporate bonds issued by the listed company; and
- (6) it is necessary for a listed company to maintain its company value and protect its shareholders' equity.

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A resolution of a shareholders' meeting is required for the repurchase of shares by a company under either of the circumstances stipulated in item (1) or item (2) above; for a company's repurchase of shares under any of the circumstances stipulated in item (3), item (5) or item (6) above, a resolution of a meeting of the Board of Directors shall be made by more than two-thirds of directors attending the meeting according to the provisions of the Company's Articles of Association or as authorized by the shareholders' meeting.

The shares acquired by the company according to the above provisions under the circumstance stipulated in item (1) hereof a company shall be deregistered within 10 days from the date of acquisition of shares; the shares shall be transferred or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either item (2) or item (4); and the shares in the company held in total by the company after the repurchase of shares under any of the circumstances stipulated in item (4), item (5) or item (6) shall not exceed 10% of the Company's total issued shares, and shall be transferred or deregistered within three years.

A listed company acquires its own shares shall perform their obligation of information disclosure according to the provisions of the PRC Securities Law. A listed company acquires its own shares under any of the circumstances stipulated in item (3), item (5) and item (6) hereof, shall be carried out trading in public and centralized manner.

A company shall not accept its own shares as the subject matter of a mortgage.

### **Transfer of Shares**

Shares held by shareholders may be transferred legally. Under the PRC Company Law, a shareholder should effect a transfer of his shares on the stock exchange established in accordance with laws or by any other means as required by the State Council. The transfer of registered shares by a shareholder must be conducted by means of an endorsement or by other means stipulated by laws or by administrative regulations. Following the transfer of registered shares, the company shall enter the names and domiciles of the transferee into its share register. Change of the register of members described in the preceding paragraph shall not be registered within 20 days before the convening of a shareholders' meeting or five days prior to the base date on which the company decides to distribute dividends. However, where there are separate provisions by laws, administrative regulations and the securities regulatory authority of the State Council on the alternation of registration in the register of members of listed companies, those provisions shall prevail. The transfer of bearer share certificates shall become effective upon the delivery of the certificates to the transferee by the shareholder.

Pursuant to the PRC Company Law, shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on the stock exchange. Directors, supervisors and the senior management of a company shall declare to the company their shareholdings in it and any changes in such shareholdings. During their terms of office, they may transfer no more than 25% of the total number of shares they hold in the company every year. They shall not transfer the shares they hold within one year of the



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date of the company's listing on the stock exchange, nor within six months after they leave their positions in the company. The Articles of Association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

Pursuant to the Trial Administrative Measures, for a domestic company directly offering and listing overseas, the shareholders of its domestic unlisted shares applying to convert its domestic unlisted shares into overseas listed shares and listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and appoint the domestic company to file with the CSRC.

### Shareholders

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, the rights of shareholders include the rights:

- (1) to be legally entitled to assets income, participate in significant decision-making and select management personnel;
- (2) to petition the people's court to revoke any resolution of a shareholders' meeting, a shareholders' meeting or a meeting of the board of directors that has been convened or whose voting has been conducted in violation of the laws, administrative regulations or the Articles of Association of the company, or any resolution the contents of which is in violation of the laws, administrative regulations or the Articles of Association of the company, provided that such petition shall be submitted to the people's court within 60 days of the passing of such resolution;
- (3) to transfer his/her shares legally;
- (4) to attend or appoint a proxy to attend shareholders' meetings and exercise the voting rights;
- (5) to inspect the Articles of Association of the company, share register, counterfoil of company debentures, the minutes of shareholders' meetings, board resolutions, resolutions of the Board of Supervisors and the financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations;
- (6) to consult the accounting books or accounting vouchers of the company where the shareholders who separately or aggregately hold 3% or more of the company's shares for 180 consecutive days or more;
- (7) to receive dividends in respect of the number of shares held;
- (8) to participate in the distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and

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- (9) any other shareholders' rights provided for in laws, administrative regulations, other normative documents and the Articles of Association of the company.

The obligations of shareholders include the obligation to abide by the Articles of Association of the company, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's responsibilities in respect of the shares taken up by them and any other shareholder obligation specified in the Articles of Association of the company.

Pursuant to the Trial Administrative Measures, a domestic company offering and listing overseas shall file with the CSRC as per requirement of this Measures, submit relevant materials that contain a filing report and a legal opinion, and provide truthful, accurate and complete information on the shareholders, etc.

### Shareholders' Meetings

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The shareholders' meeting may exercise its powers:

- (1) to elect or replace the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors;
- (2) to consider and approve the reports of the board of directors;
- (3) to consider and approve the reports of the Board of Supervisors;
- (4) to consider and approve the company's profit distribution and loss recovery proposals;
- (5) to decide on any increase or reduction of the company's registered capital;
- (6) to decide on the issue of corporate bonds;
- (7) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;
- (8) to amend the Articles of Association of the company; and
- (9) to exercise any other authority stipulated in the Articles of Association of the company.

The shareholders' meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

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Pursuant to the PRC Company Law and the Guidelines for Articles of Association, a shareholders' meeting is required to be held once a year within six months after the end of the previous accounting year. An extraordinary meeting is required to be held within two months upon the occurrence of any of the following:

- (1) the number of directors is less than the number required by the law or less than two-thirds of the number specified in the Articles of Association of the company;
- (2) the total outstanding losses of the company amounted to one-third of the company's total share capital;
- (3) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an extraordinary meeting;
- (4) the board of directors deems necessary;
- (5) the Board of Supervisors so proposes; or
- (6) any other circumstances as provided for in the Articles of Associations of the company.

A shareholders' meeting is convened by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or is not performing his or her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is incapable of performing or is not performing his or her duties, a director jointly recommended by more than half of directors shall preside over the meeting. If the board of directors is unable to or fails to perform its duty of convening the shareholders' meeting, the Board of Supervisors shall convene and preside over such meeting in a timely manner; if the Board of Supervisors fails to convene and preside over such meeting, shareholders who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may independently convene and preside over such meeting.

In accordance with the PRC Company Law, a notice stating the time and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting if the shareholders' meeting is convened. Notice of the extraordinary meeting shall be given to all shareholders 15 days before the meeting. Shareholders who individually or jointly hold more than one percent of the shares of the company may submit an interim proposal in writing to the board of directors 10 days before the shareholders' meeting is held. The board of directors shall notify other shareholders within two days upon receipt of the proposal, and submit the interim proposal to the meeting for deliberation. Unless the interim proposal violates the provisions of laws, administrative regulations, or the company's bylaw, or does not fall within the purview of the shareholders' meeting. The company shall not increase the percentage of shares required for shareholders to submit an interim proposal.

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The contents of the interim proposal shall fall within the scope of powers of the shareholders' meeting, and the proposal shall provide clear agenda and specific matters on which resolutions are to be made. A company that publicly offers shares shall issue the notices prescribed in the preceding two paragraphs in the form of announcement.

According to the PRC Company Law, shareholders present at shareholders' meeting shall have one vote for each share they hold, save that the Company's shares held by the company are not entitled to any voting rights.

An accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting pursuant to the provisions of the Articles of Association of the company or a resolution of the shareholders' meeting. Under the accumulative voting system, when the shareholders' meeting elect directors or supervisors, each share has the same voting rights as the number of directors or supervisors to be elected, and the voting rights owned by shareholders can be used collectively.

Under the PRC Company Law, the passing of any resolution at the meeting requires affirmative votes of shareholders representing more than half of the voting rights held by the shareholders who attend the meeting except in cases of proposed amendments to a Articles of Association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights held by the shareholders who attend the meeting. Where the PRC Company Law and the Articles of Association provide that the transfer or acquisition of significant assets or the provision of external guarantees by the Company and the other matters must be approved by way of resolution of the meeting, the Board of Directors shall convene a shareholders' meeting promptly to vote on such matters by shareholders' meeting. Shareholders may entrust a proxy to attend shareholders' meetings on his or her behalf by a power of attorney which sets forth the scope of exercising the voting rights.

Minutes shall be prepared in respect of matters considered at the shareholders' meeting and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

### **Board of Directors**

A company shall have a board, which shall have three or more members. Members of the Board of Directors may include staff representatives, who shall be democratically elected by the Company's staff at a staff representative assembly, general staff meeting or otherwise. The term of office of the directors shall be provided for by the Articles of Association, but each term of office shall not exceed three years. A director may seek reelection upon expiry of the said term. A director shall continue to perform his/her duties as a director in accordance with

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the laws, administrative regulations and the 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/her term of office or if the resignation of directors results in the number of directors being less than the quorum.

Under the PRC Company Law, the Board of Directors may exercise the following powers:

- (1) to convene shareholders' meetings and report on its work to the shareholders' meetings;
- (2) to implement the resolutions passed by the shareholders at the shareholders' meetings;
- (3) to decide on the Company's operational plans and investment proposals;
- (4) to formulate the Company's proposals for profit distribution and for recovery of losses;
- (5) to formulate proposals for the increase or reduction of the Company's registered capital and the issue of corporate bonds;
- (6) to formulate proposals for the merger, division, dissolution of the Company or change in the form of the Company;
- (7) to decide on the setup of the Company's internal management organs;
- (8) to decide on appointment or dismissal the manager of the Company and his/her remuneration matters, and as nominated by the manager, to decide on appointment or dismissal the Company's deputy general manager and financial officer and his/her remuneration matters;
- (9) to formulate the Company's basic management system; and
- (10) other authority stipulated in the Articles of Association or conferred by the shareholders' meeting.

Meetings of the Board of Directors shall be convened at least twice a year. Notice of meeting shall be given to all Directors and Supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors or the Board of Supervisors. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the board meeting. The Board of Directors may otherwise determine the method of giving notice and notice period for convening an interim meeting of the board of directors. Meeting of the Board of Directors shall be held only if more than one half of the Directors are present. Resolutions of the Board of Directors shall be passed by more than one half of all Directors.

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Resolutions of the Board shall be passed on a one person one vote basis. The Directors shall attend a board meeting in person. If a director is unable to attend for any reasons, he/she may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his/her behalf. The Board of Directors shall make minutes of the meeting's decisions on the matters discussed at the meeting, and the directors attending the meeting shall sign the minutes.

If a resolution of the Board of Directors violates any laws, administrative regulations or the Articles of Association or resolutions of the meeting, and as a result of which the Company sustains serious losses, the directors participating in the resolution are liable to compensate the Company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

Under the PRC Company Law, the following person may not serve as a Director of the Company:

- (1) devoid of or with restricted civil conduct ability;
- (2) within five years after serving sentence for embezzlement, bribery, infringement or misappropriation of property, or for jeopardizing socialist market economic order, or within five years after serving sentence and being deprived of political rights for crime, or two years have not elapsed since the expiration of the probation period for suspended sentence, if applicable;
- (3) within three years after insolvency and liquidation of such Company or enterprise where the person acted as a directors, factory manager or business manager and has been held accountable for the insolvency;
- (4) within three years after company or enterprise the person acted as legal representative is revoked business license and ordered to shut down for violating law on which the person is held accountable; and
- (5) liable to large amount of unliquidated mature debts and listed as a dishonest party subject to enforcement by the people's court.

Where a company elects or appoints a director to which any of the above circumstances applies, such election, appointment or designation shall be invalid. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the Company.

Under the PRC Company Law, the Board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and review the implementation of board resolutions. The vice chairman shall assist the chairman to

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perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

### **Board of Supervisors**

The company shall have a Board of Supervisors composed of not less than three members. The Board of Supervisors shall consist of representatives of the shareholders and an appropriate proportion of representatives of the Company's staff, of which the proportion of representatives of the company's staff shall not be less than one-third, and the actual proportion shall be determined in the Articles of Association. Representatives of the Company's staff at the Board of Supervisors shall be democratically elected by the Company's staff at the staff representative assembly, general staff meeting or otherwise. The Board of Supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the Board of Supervisors shall be elected by more than half of all the supervisors. Directors and senior management shall not act concurrently as supervisors.

The chairman of the Board of Supervisors shall convene and preside over the Board of Supervisors meetings. Where the chairman of the Board of Supervisors is incapable of performing or is not performing his/her duties, the vice chairman of the Board of Supervisors shall convene and preside over the Board of Supervisors meetings. Where the vice chairman of the Board of Supervisors is incapable of performing or is not performing his/her duties, a supervisor elected by more than half of the supervisors shall convene and preside over the Board of Supervisors meetings.

The supervisors serve three-year terms. A supervisor may serve consecutive terms if re-elected upon the expiration of his/her term. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The board of supervisors may exercise its powers:

- (1) to review the company's financial position;
- (2) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the Articles of Association or resolutions of the shareholders' meetings;
- (3) when the acts of a director or senior management are detrimental to the company's interests, to require the director and senior management to correct these relevant acts;

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- (4) to propose the convening of extraordinary shareholders' meetings and to convene and preside over shareholders' meetings when the board fails to perform the duty of convening and presiding over shareholders' meetings under the PRC Company Law;
- (5) to submit proposals to the shareholders' meetings;
- (6) to bring actions against directors and senior management pursuant to the relevant provisions of the PRC Company Law; and
- (7) to exercise any other authority stipulated in the Articles of Association.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board of directors. The board of supervisors may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

### **Manager and Senior Management**

Pursuant to the relevant provisions of the PRC Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager, who is responsible to the board of directors and exercise his/her functions and powers according to the articles of association or the authorization of the board of directors. The manager shall be present at meetings of the board of directors.

According to the relevant provisions of the PRC Company Law, senior management refers to the manager, deputy manager, financial officer, secretary to the board of directors of a listed company and other personnel as stipulated in the Articles of Association.

### **Duties of Directors, Supervisors, General Managers and Other Senior Management**

Directors, supervisors and senior management are required under the PRC Company Law to comply with the relevant laws, administrative regulations and the Articles of Association, and carry out their duties of loyalty and diligence. Directors, supervisors and senior management are prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's property.

In the meantime, directors supervisors and senior management are prohibited from:

- (1) embezzling company property and misappropriating company's funds;
- (2) depositing company funds into accounts under their own names or the names of other individuals;
- (3) taking advantage of power to accept bribes or other illegal income;



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- (4) accept commissions from transactions between others and the company for their own benefits;
- (5) unauthorized divulgence of confidential information of the company; and
- (6) other acts in violation of their duty of loyalty to the company.

Income generated by directors or senior management in violation of aforementioned shall be returned to the company.

A director, supervisor or senior management who contravenes laws, administrative regulations or Articles of Association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director, supervisor or senior management is required to attend a shareholders' meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. Directors and senior management shall furnish with relevant facts and information to the board of supervisors without obstructing the exercise of functions and powers by the board of supervisors or supervisors.

Where the directors and senior management violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the board of supervisors to initiate proceedings in the people's court. Where the supervisors violate the laws, administrative regulations or the Articles of Association in performance of duties resulting in any loss to the company, the aforementioned shareholder(s) may request in writing that the board of directors institute litigation at a people's court. Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the board of supervisors or the board of directors refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in their own name for the interest of the company. For other parties who infringe the lawful interests of the company resulting in loss to the company, the aforementioned shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. If a director, supervisor, or officer of the company's wholly-owned subsidiary falls under the circumstances specified in the foregoing paragraph, or if another person infringes upon the legitimate rights and interests of the company's wholly-owned subsidiary, causing losses, a joint-stock company separately or aggregately hold 1% or more of the company's shares may, in accordance with the foregoing paragraph, request in writing the board of supervisors or board of directors of the wholly-owned subsidiary to file a lawsuit with the people's court, or

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directly file a lawsuit with the people's court in their own name. Where any director or senior management violates the provisions of laws, administrative regulations or the Articles of Association, damaging interests of shareholders, the shareholders may file a lawsuit with the people's court.

The Trial Administrative Measures stipulates that the filing materials for overseas listing of domestic enterprises shall be true, accurate and complete, and shall not contain false records, misleading statements or material omissions. Domestic enterprises and their controlling shareholders, de facto controllers, directors, supervisors and senior management shall fulfill their obligations of information disclosure in accordance with the law, be honest, trustworthy, diligent and responsible and ensure that the filing materials are true, accurate and complete.

### **Finance and Accounting**

According to the PRC Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the financial departments of the State Council. A company shall prepare its financial reports at the end of each accounting year which shall be audited by accounting firm according to law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual meeting. A joint stock limited company that makes public stock offerings shall announce its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits for the company's statutory common reserve fund. However, when the cumulative amount of the reserve fund has reached more than 50% of the PRC company's registered capital, it may no longer be allocated. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make up the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its after-tax profits, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its after-tax profits to the discretionary common reserve fund. After the company has made up its losses and made allocations to its discretionary common reserve fund, the remaining after-tax profits shall be distributed to shareholders in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association.

Profits distributed to shareholders by a resolution of a shareholder's meeting or the board of directors before losses have been made up and allocations have been made to the statutory common reserve fund in violation of the requirements described above must be returned to the company. The company shall not be entitled to any distribution of profits in respect of its own shares held by it.

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Proceeds from shares issued by a company at a price above their nominal value, proceeds of issuance of no par shares which have not been included in registered capital, and other revenues required by the financial departments of the State Council to be stated as capital reserve shall be accounted for as the capital reserve fund of the company. The common reserve fund of a company shall be applied to make up the company's losses, expand its production and operations or convert it into an increase in its capital. When the company's losses are covered with common reserves, the discretionary common reserve and the statutory common reserve shall first be used; if they are insufficient, the capital common reserve may be used according to the applicable provisions. Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the company before such transfer.

The company shall have no accounting books other than the statutory books. The company's assets shall not be deposited in any account opened under the name of an individual.

### **Appointment and Dismissal of Auditors**

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the auditing of the company shall be determined by shareholders at a shareholders' meeting or the board of directors in accordance with the Articles of Association. The accounting firm should be allowed to make representations when the shareholders' meeting or the board of directors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or misrepresentation of information.

The Trial Administrative Measures require that securities companies and law firms should conduct adequate verification of the filing materials of overseas listed enterprises.

### **Profit Distribution**

According to PRC Company Law, a company shall not distribute profits before losses are covered and the statutory reserve fund is provided. At the same time, the Trial Administrative Measures stipulate that domestic enterprises may raise funds and pay dividends in foreign currencies or RMB for overseas listings.

### **Amendment to Articles of Association**

Pursuant to PRC Company Law, the resolution of a shareholders' meeting regarding any amendment to a company's Articles of Association requires affirmative votes by at least two-thirds of the votes held by shareholders attending the meeting. According to the Guidelines for the Articles of Association of Listed Companies, if the amendments to the Articles of Association approved by the resolution of the meeting of shareholders are subject to approval by the competent authority, they must be reported to the competent authority for approval; if

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they involve company registration matters, the modification registrations shall be handled according to law. Where the amendments to the Articles of Association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

### **Dissolution and Liquidation**

Pursuant to PRC Company Law, a company shall be dissolved for any of the following reasons:

- (1) upon expiry of term of business stipulated in the Articles of Association or occurrence of other circumstances of dissolution stipulated in the Articles of Association;
- (2) the shareholders' meeting has resolved to dissolve the company;
- (3) the company is dissolved by reason of its merger or division;
- (4) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or
- (5) Where the company encounters serious difficulties in its operations or management that will lead to significant losses to the benefits of the shareholders if the company continues its existence and the situation cannot be resolved by other means, the company is dissolved by a people's court in response to the request of shareholders representing 10% or more of the voting rights of all shareholders of the company.

If the company has a cause of dissolution specified in the preceding paragraph, it shall publicize the cause of dissolution on the National Enterprise Credit Information Publicity System within ten days.

In the event of paragraph (1) above, the company may carry on its existence by amending its Articles of Association. The amendments to the Articles of Association in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders attending a shareholders' meeting.

Where the company is dissolved under the circumstances set forth in paragraph (1), (2), (4) or (5) above, directors as persons with obligations of liquidation of the company should establish a liquidation group within 15 days of the date on which the dissolution matter occurs and commence the liquidation. The liquidation group shall be composed of directors, unless otherwise provided for by the company's bylaw or a resolution of the shareholders' meeting. The liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people's court to designate relevant persons to form a liquidation group.

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The liquidation group may exercise following powers during the liquidation:

- (1) to verify the Company's assets and to prepare a balance sheet and an inventory of assets;
- (2) to inform creditors by notice or announcement;
- (3) to deal with and settle any outstanding business of relevant company;
- (4) to pay all outstanding taxes and the taxes arising during the liquidation process;
- (5) to settle claims and debts;
- (6) to distributing the company's remaining assets after its debts have been paid off; and
- (7) to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 60 days.

A creditor shall lodge his claim with the liquidation group within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification.

The creditors shall explain matters relating to their claims and provide evidential documents. The liquidation group shall register the creditor's claims. In the claims declaration period, the liquidation group shall not make repayment to the creditors.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan and submit this plan to a shareholders' meeting or a people's court for endorsement. The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue its existence during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

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Upon liquidation of the company's property and preparation of the required balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must file an application to a people's court for bankruptcy liquidation in accordance with the laws. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation of the company, the liquidation team shall prepare a liquidation report and submit it to the shareholders' meeting or a people's court for confirmation and the company registration authority to apply for cancelation of the company's registration, and an announcement of its termination shall be published. Members of the liquidation group are required to discharge their duties in good faith and perform their obligation in compliance with laws. Members of the liquidation group shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's properties. Members of the liquidation group are liable to indemnify the company and its creditors in respect of any loss arising from their willful or material default. Furthermore, liquidation of a company declared bankrupt according to laws shall be processed in accordance with the relevant laws on corporate bankruptcy.

### **Overseas Listing**

According to the Trial Administrative Measures, the securities refer to stocks, depositary receipts, and corporate bonds that can be converted into stocks or other securities of an equity nature that are directly or indirectly offered and listed overseas by domestic companies. The direct overseas offering and listing of domestic companies refer to such overseas offering and listing of a joint stock limited company incorporated in the territory of PRC. The indirect overseas offering and listing of domestic companies refer to such overseas offering and listing made in the name of an offshore entity but based on the equity, assets, earnings, or other similar rights of a domestic company that operates its main business domestically.

The Trial Administrative Measures also provide the conditions for overseas offering and listing. An overseas offering and listing are prohibited under any of the following circumstances:

- (1) the listing and financing fall under specific prohibiting in the laws, administrative regulations, and relevant national provisions;
- (2) the overseas offering and listing may constitute endangers to national security as reviewed and determined by competent authorities under the State Council in accordance with law;
- (3) the domestic company and its controlling shareholder(s), actual controllers, have a criminal record in recent three years for corruption, bribery, encroachment of assets, misappropriation of assets, or disruption of socialist market economy order;

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- (4) the domestic company is under investigation according to law for suspected crimes or major violations of laws and regulations, but no clear conclusions have been reached;
- (5) there are material ownership disputes over the equities held by the controlling shareholders or the shareholders whose actions are controlled by the controlling shareholders or actual controllers.

In addition, under the Trial Administrative Measures, where a PRC domestic company submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted.

In the event of the occurrence of any of the following material events after the overseas offering and listing, the PRC domestic companies shall make a detailed report to the CSRC within three working days after the occurrence and public announcement of the relevant event:

- (1) change in controlling rights;
- (2) being subject to investigation, punishment, or other measures by overseas securities regulatory authorities or the relevant competent authorities;
- (3) changing the listing status or transferring the listing board;
- (4) voluntary or compulsory termination of a listing.

Pursuant to the Notice on Administrative Arrangements for Filing Concerning Overseas Issuance and Listings by Domestic Enterprises, which was promulgated by the CSRC on February 17, 2023 and came into effect on the same date, a domestic enterprise which has been issued and listed overseas before March 31, 2023 is defined as stock enterprise (“stock enterprise”). The stock enterprise shall not need to file immediately, but the enterprise shall file as required if it involves the file matters such as refinancing subsequently. For the purpose of the domestic enterprise that has been granted approval letter by the CSRC for the overseas public raised shares and listing (including issuance of additional shares) by a joint stock limited company, the domestic enterprise may continue to promote overseas issuing and listing upon the expiration of the validity of the approval letter. The domestic enterprise shall file as required if it has not completed overseas issuing and listing upon the expiration of the validity of the approval letter.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises, which was issued by the CSRC, the Ministry of Finance of the People’s Republic of China, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and implemented since March 31, 2023, a domestic enterprise that provides or through its overseas listed entity, publicly discloses or provides to relevant individuals or

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entities including securities companies, securities service providers and overseas regulators, any document and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and files with the secrecy administrative department at the same level. A domestic enterprise that provides accounting archives or copies of accounting archives to any entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

### **Loss of Share Certificates**

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

### **Merger and Division**

Pursuant to the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees.

Where a company merges with another company in which the former holds not less than 90% of the shares, the merged company is not required to adopt a resolution at the shareholders' meeting, but shall notify other shareholders, who have the right to request the company to acquire their equity or shares at a reasonable price. If the price paid for the merger of the companies is not more than 10% of the net assets of the company, it is not required to adopt a resolution at the shareholders' meeting, unless it is otherwise provided for in the articles of association of the company. For the merger of the companies as provided for in the foregoing provisions, a resolution of the board of directors shall be adopted instead of a resolution of the shareholders' meeting.

In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company. In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or the National Enterprise Credit Information Publicity System within 30 days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated



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companies other than in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

Changes in the business registration of the companies as a result of the merger or division shall be registered with the relevant administration authority for industry and commerce.

### THE PRC SECURITIES LAWS, REGULATIONS AND REGULATORY REGIMES

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating, and supervising all securities related institutions in the PRC, and administering CSRC. The CSRC is the regulatory executive body of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) governing the application and approval procedures for public offerings of shares, issuance of and trading in shares, the acquisition of listed companies, deposit, clearing, and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

The PRC Securities Law took effect on July 1, 1999, and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively. The latest revised PRC Securities Law took effect on March 1, 2020. The PRC Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. It is divided into 14 chapters and 226 articles, including the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies, and the responsibilities of the securities registration and settlement institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic enterprises issuing shares overseas directly or indirectly or listing their shares overseas shall comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign-issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

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### ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the “PRC Arbitration Law”) was enacted by the SCNPC on August 31, 1994, which became effective on September 1, 1995, and was amended on August 27, 2009, and September 1, 2017. The PRC Arbitration Law is applicable to, among other matters, economic disputes involving foreign parties where all parties had entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people’s court will refuse to handle a legal proceeding initiated by one of the parties at such people’s court unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people’s court for its enforcement. A people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee, the making of an award on matters beyond the scope of the arbitration agreement, or the jurisdiction of the arbitration commission).

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC against a party or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “New York Convention”) adopted on June 10, 1958, pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse recognition and enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC’s accession to the Convention, the SCNPC declared that (I) the PRC would only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (II) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

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An agreement has been reached between Hong Kong and the Supreme People’s Court of the PRC for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People’s Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000. The Supreme People’s Court of China issued the Supplementary Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) on November 26, 2020, which went into effect on November 27, 2020. The arrangements reflect the spirit of the New York Convention. Pursuant to the arrangements, awards made by PRC arbitral authorities acknowledged by Hong Kong arbitration rules can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in mainland China. Where a court of the mainland China finds that enforcement in the mainland China of the ruling made by the Hong Kong arbitral authority will violate public interests of the mainland China, execution of the ruling may be ignored.

## **APPENDIX V**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

### **OVERVIEW**

This Appendix contains the summary of the principal provisions of the Articles of Association. The main purpose of this Appendix is to provide potential investors with an overview of the Articles of Association of the Company and therefore may not contain all information that is important to potential investors. The full text of the Articles of Association is available for inspection in Chinese as described in the section Documents Delivered to the Registrar of Companies and Available on Display in Appendix VIII to the document.

### **SHARES**

#### **Issuance of Shares**

The Shares of the Company shall take the form of share certificates.

The Company shall issue Shares in an open, equitable and fair manner, and each of the Shares in the same class shall carry the same rights. The unlisted Shares and overseas listed foreign Shares issued by the Company shall have equal rights in the distribution of dividend (including cash and in-kind distributions) or distribution in any other form.

All Shares of the same category issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share.

The Shares issued by the Company, all of which are ordinary Shares, are denominated in RMB with a par value of RMB1.00 per share.

#### **Increase, Reduction and Repurchase of Shares**

##### ***Increase of Registered Capital***

Based on its operating and development needs, the Company may, pursuant to the laws and regulations and resolutions made at the general meeting, increase its capital in the following ways:

- (1) public offering of Shares;
- (2) private placement of Shares;
- (3) distribution of bonus Shares to existing Shareholders;
- (4) conversion of funds in the capital reserve to share capital;

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- (5) any other means permitted by laws, administrative regulations, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), other regulatory rules of the place where the Company’s Shares are listed or approved by the CSRC and other relevant competent authorities.

### *Reduction of Registered Capital*

The Company may reduce its registered capital. The reduction of registered capital shall be made in accordance with the Company Law, the Hong Kong Listing Rules and other relevant regulations, as well as procedures stipulated in the Articles of Association.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within ten days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement in a newspaper designated by the Articles of Association or on National Enterprise Credit Information Publicity System within thirty days as of the date of such resolution. A creditor has the right within thirty days as of the receipt of the notice or, in case where it fails to receive such notice, within forty-five days as of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

### *Repurchase of Shares*

The Company shall not purchase its Shares, except in one of the following circumstances:

- (1) reduction of the registered capital of the Company;
- (2) mergers with another company holding Shares of the Company;
- (3) use of Shares for employee shareholding scheme or share incentives;
- (4) request to the Company to acquire the Shares from Shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company;
- (5) use of Shares for conversion of corporate bonds convertible into Shares issued by the Company;
- (6) when it is necessary for the Company to preserve its value and its Shareholders’ interest.

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The Company's acquisition of the Shares of the Company can be made by public and centralized transaction, or other methods recognized by laws, administrative regulations, the Hong Kong Listing Rules, other regulatory rules of the place where the Company's Shares are listed and the CSRC. Where the Company acquires its own Shares due to the circumstances stipulated in item (3), (5) or (6) above, it should be made by public and centralized transaction.

The Company's acquisition of the Shares of the Company due to the circumstances stipulated in items (1) and (2) above shall be subject to a resolution of the general meeting. The Company's acquisition of the Shares of the Company due to the circumstances stipulated in items (3), (5) and (6) above may, pursuant to the Articles of Association or the authorization of the general meeting, be subject to a resolution of a Board meeting at which more than two-thirds of Directors are present, except as otherwise provided in the Hong Kong Listing Rules.

Under the circumstance stipulated in item (1), the Shares of the Company so acquired shall be canceled within ten days from the date of acquisition; under the circumstances stipulated in either item (2) or item (4) above, the Shares of the Company so acquired shall be transferred or canceled within six months; under the circumstances stipulated in item (3), (5) or (6), the total Shares of the Company held by the Company shall not exceed 10% of the Company's total outstanding Shares, and shall be transferred or canceled within three years.

### *Transfer of Shares*

The Shares of the Company can be transferred in accordance with laws.

The Company shall not accept any of its own Shares as the subject of pledge right.

Shares issued prior to the Company's public offering of Shares shall not be transferred for a period of one year from the date of listing and trading of the Company's Shares on the stock exchange.

The Directors, Supervisors and senior management personnel of the Company shall declare to the Company the Shares held by them in the Company and the changes therein, and shall not transfer more than 25% of the total number of Shares held by them in the Company each year during their terms of office; the Shares they hold in the Company shall not be transferred within one year from the date of listing and trading of the Company's Shares. The Shares of the Company held by the above-mentioned persons shall not be transferred within six months after their departure from office.

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### SHAREHOLDERS AND GENERAL MEETING

#### Shareholders

##### *Register of members*

The Company shall prepare a register of members based on the evidence provided by the securities registrar, and the register of members shall be sufficient evidence of the Shareholders' shareholdings in the Company. A Shareholder shall enjoy rights and bear obligations according to the class of his or her Shares. Shareholders holding Shares of the same class shall enjoy the same rights and bear the same obligations.

The Company shall enter into a share custody agreement with the securities registrar, regularly check information on substantial Shareholders and changes in shareholdings of substantial Shareholders (including pledges of shareholdings) to keep abreast of the shareholding structure of the Company.

When the Company convenes a general meeting, distributes dividends, carries out liquidation or other matters requiring the identification of Shareholders, the Board or the convener of the general meeting shall determine the shareholding record date and the Shareholders registered on the register of members following close of trading on the shareholding record date shall be entitled to the relevant rights and interests.

Where the Hong Kong Listing Rules have provisions on the period of closure of registration of transfers of Shares prior to a general meeting or the reference date set by the Company for the purpose of distribution of dividends, such provisions shall be followed.

##### *Shareholders' rights and obligations*

Shareholders of the Company shall enjoy the following rights:

- (1) to receive dividends and other forms of profit distributions in accordance with the proportion of the Shares they hold;
- (2) to request, summon, preside over, attend or appoint a proxy to attend and speak at general meetings in accordance with the law, and exercising the corresponding voting rights unless the individual Shareholders are required to abstain from voting on individual matters in accordance with the Hong Kong Listing Rules;
- (3) to monitor the Company's operation and make recommendations or queries;
- (4) to transfer, grant or pledge the Shares they hold in accordance with the provisions of the law, administrative regulations and the Articles of Association;

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- (5) to inspect and copy the Articles of Association, the register of members (including the H Share register of members), stubs of corporate bonds, minutes of general meetings, resolutions of Board meetings, resolutions of meetings of the Supervisory Committee and financial accounting reports;
- (6) to participate in the distribution of the remaining properties of the Company in the event of its termination or liquidation in accordance with the proportion of the Shares they hold;
- (7) to require the Company to purchase their shareholdings in the event of their objection to resolutions of the general meetings concerning merger or division of the Company;
- (8) other rights prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association.

Where any Shareholder is required to abstain from voting on any particular resolution or restricted to voting only in favor of (or only against) any particular resolution, any votes cast by or on behalf of such Shareholder in violation of such requirement or restriction shall not be counted.

Shareholders who propose to inspect the aforesaid relevant information or request any materials shall provide the Company with the written documentation evidencing the type and number of Shares held by them. The Company shall provide the relevant information or material as per the Shareholders' request after verification of their identity.

If the content of a resolution of the general meeting or the Board of the Company violates laws or administrative regulations, Shareholders shall have the right to request the People's Court to hold it invalid.

If the summoning procedure or voting method of a general meeting or Board meeting violates laws, administrative regulations or the Articles of Association, or the content of a resolution violates the Articles of Association, Shareholders shall have the right to request the People's Court to revoke the relevant resolution within 60 days from the date on which the resolution was made, provided that there is a minor defect in the procedures to convene the general meeting or the Board meeting or voting methods, without causing substantial impacts on the resolution.

Any Shareholder who is not notified to attend the general meeting may, within 60 days from the date when they knew or should have known that the resolution of the general meeting had been made, request the People's Court to revoke it, in which case, if the right of revocation is not exercised within one year from the date when the resolution was made, the right of revocation shall be extinguished.



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If a Director or senior management personnel violates the provisions of laws, administrative regulations or the Articles of Association in performing duties for the Company and caused damage to the Company, Shareholders who hold 1% or more of the Shares in the Company, either individually or collectively, for 180 or more consecutive days shall have the right to request the Supervisory Committee in writing to institute a legal action in the People's Court; if the Supervisory Committee violates any law or administrative regulation or breaches the Articles of Association in performing duties for the Company and caused damage to the Company, Shareholders may request the Board in writing to institute a legal action in the People's Court. If the Supervisory Committee or the Board refuses to institute legal actions after receiving a written request from the Shareholder as provided for in the preceding paragraph, or if no legal actions are instituted within 30 days from the date of receipt of the request, or if the situation is urgent and failure to institute proceedings immediately would cause irreparable damage to the interests of the Company, the Shareholder as provided for in the preceding paragraph shall have the right to institute proceedings directly in the People's Court in his own name and for the interests of the Company. In the event that a third party infringes upon the lawful rights and interests of the Company and causes damage to the Company, the Shareholders provided for in the preceding paragraph may institute a legal action in the People's Court in accordance with the procedure described above.

Where a Director, Supervisor and senior management personnel of a wholly-owned subsidiary of the Company falls under the circumstances prescribed in the preceding paragraph, or where a third party infringes upon the lawful rights and interests of the wholly-owned subsidiary of the Company and causes damage to such wholly-owned subsidiary, Shareholders who hold 1% or more of the Shares in the Company, either individually or collectively, for 180 or more consecutive days may request the Supervisory Committee or the Board of the wholly-owned subsidiary in writing to institute proceedings in the People's Court in accordance with the procedure described above, or directly institute a legal action in the People's Court in his own name.

If a Director or senior management personnel violates the provisions of laws, administrative regulations or the Articles of Association to the detriment of the interests of Shareholders, Shareholders may institute a legal action in the People's Court.

Shareholders of the Company shall assume the following obligations:

- (1) abide by laws, administrative regulations and the Articles of Association;
- (2) to pay capital contribution as per the Shares subscribed for and the method of subscription;
- (3) not to withdraw Shares unless required by the laws and regulations;
- (4) not to abuse Shareholders' rights to impair the interests of the Company or other Shareholders; not to abuse the independent status of legal person or Shareholders' limited liabilities to impair the interests of the creditors of the Company;

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- (5) other obligations required by laws, administrative regulations, the Hong Kong Listing Rules, other regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

Shareholders of the Company who abuse their Shareholders' rights and thereby cause damage to the Company or other Shareholders shall be liable for compensation in accordance with the laws. Where Shareholders of the Company abuse the Company's independent status as a legal person and the limited liabilities of Shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such Shareholders shall be jointly and severally liable for the debts owed by the Company.

Where any Shareholder who holds more than 5% of Shares with voting rights of the Company have pledged such Shares, the relevant Shareholder shall report to the Company in writing on the date of occurrence of such fact.

### *Restriction on rights of Controlling Shareholders*

The Controlling Shareholder and the actual controller of the Company shall not use their connected relationship (related party relationship) to damage the interests of the Company. Any violation of such rule that causes damage to the Company shall be liable for compensation.

The Controlling Shareholder and the actual controller of the Company shall owe a duty of good faith to the Company and its public Shareholders. The Controlling Shareholders shall exercise their rights as capital contributors in strict accordance with the law. The Controlling Shareholders shall not use profit distribution, asset restructuring, external investment, fund occupation, loan guarantee, etc. to damage the legitimate rights and interests of the Company and those of the public Shareholders, and shall not use their control position to damage the interests of the Company and the public Shareholders.

### **General Meetings**

The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law:

- (1) to elect and replace Directors and Supervisors and to decide on matters relating to the remuneration of Directors and Supervisors;
- (2) to consider and approve the report of the Board;
- (3) to consider and approve the report of the Supervisory Committee;
- (4) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (5) to resolve on the increase or reduction of the registered capital of the Company;

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- (6) to resolve on the issue of corporate bonds;
- (7) to resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (8) to amend the Articles of Association;
- (9) to resolve on the engagement and dismissal of the Company's accounting firm;
- (10) to consider and approve the guarantees as provided in Article 45-47 of the Articles of Association;
- (11) to consider the purchase or sale of material assets of the Company exceeding 30% of the Company's latest audited total assets within one year;
- (12) to consider and approve the change of use of proceeds;
- (13) to consider share incentive scheme and employee shareholding scheme;
- (14) to consider other matters that shall be decided by the general meeting as stipulated in the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association.

General meetings shall be divided into annual general meetings and extraordinary general meetings. The annual general meeting is to be held once a year and shall be held within six months after the end of the previous financial year.

The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of the fact in any of the following cases:

- (1) when the number of Directors is less than the number prescribed by the Company Law or two-thirds of the number as provided in the Articles of Association;
- (2) when the losses of the Company that have not been made up has reached one-third of its total paid-in share capital;
- (3) when requested by Shareholders who individually or collectively hold more than 10% of the Company's Shares;
- (4) when deemed necessary by the Board;
- (5) when proposed by the Supervisory Committee;
- (6) when proposed by more than half of the independent directors;

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- (7) other circumstances as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

### *Summoning of general meetings*

Independent non-executive Directors shall have the right to propose to the Board the convening of an extraordinary general meeting. In response to a proposal by an independent non-executive Director to convene an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's Shares are listed and the provisions of the Articles of Associations, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within ten days after receiving the proposal.

If the Board agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within five days after a resolution of the Board is made; if the Board does not agree to convene an extraordinary general meeting, it will state the reasons and announce such reasons.

The Supervisory Committee shall have the right to propose to the Board the convening of an extraordinary general meeting and shall submit the proposal in writing to the Board. The Board shall, in accordance with the laws, administrative regulations, the regulatory rules of the place where the Company's Shares are listed and the provisions of the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of the extraordinary general meeting within ten days after receiving the proposal.

If the Board agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within five days after a resolution of the Board is made, and any changes to the original proposal in the notice shall be subject to the consent of the Supervisory Committee.

If the Board does not agree to convene an extraordinary general meeting or failed to provide feedback within ten days after receiving the proposal, it shall be deemed that the Board is unable to perform or does not perform its duty to summon a meeting of the general meeting, and the Supervisory Committee may summon and preside over the meeting on its own initiative.

Shareholders who individually or collectively hold more than 10% of the Company's Shares shall have the right to request the Board to convene an extraordinary general meeting and shall submit the request in writing to the Board. The Board shall, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of the extraordinary general meeting within ten days after receiving the request.

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If the Board agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within five days after a resolution of the Board is made, and any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders.

If the Board does not agree to convene an extraordinary general meeting or failed to provide feedback within ten days after receiving the request, Shareholders who individually or collectively hold more than 10% of the Company's Shares shall have the right to propose to the Supervisory Committee that an extraordinary general meeting be convened and shall submit their request in writing to the Supervisory Committee.

If the Supervisory Committee agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within five days of receipt of the request, and any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders.

If the Supervisory Committee fails to issue the notice of general meeting within the prescribed period, it shall be deemed that the Supervisory Committee would not summon and preside over the general meeting, and Shareholders who individually or collectively hold more than 10% of the Company's Shares for more than 90 consecutive days may summon and preside over the meeting on their own initiative.

### *Proposals for general meetings*

The content of the proposals shall fall within the scope of the functions and powers of the general meeting, have clear topics and specific matters for resolution, and comply with the relevant provisions of laws, administrative regulations, the Hong Kong Listing Rules, other regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

When the Company convenes a general meeting, the Board, the Supervisory Committee and Shareholders who individually or collectively hold more than 1% of the Company's Shares shall be entitled to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's Shares may make a provisional proposal and submit it in writing to the convener ten days before the date of the general meeting. The convener shall issue a supplementary notice of the general meeting within two days of receipt of the proposal, announcing the content of the provisional proposal. If the general meeting is required to be adjourned due to publication of a supplementary notice of general meeting in accordance with the securities regulatory rules of the place where the Company's Shares are listed, the general meeting shall be adjourned in accordance with the securities regulatory rules of the place where the Company's Shares are listed.

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Except as provided for in the preceding paragraph, the convener shall not amend the proposals already specified in the notice of the general meeting or add new proposals after the notice of the general meeting has been issued.

Proposals not specified in the notice of the general meeting or not in compliance with the provisions of Article 58 of the Articles of Association shall not be voted on and resolved by the general meeting.

### *Notices of general meetings*

The convener shall notify all Shareholders by public announcement 20 days prior to the convening of the annual general meeting. In case of an extraordinary general meeting, the Shareholders shall be notified by public announcement 15 days prior to the convening of the meeting.

When the Company sets up the duration of notice, the date of convening of the meeting shall be excluded.

Notice of a general meeting shall include:

- (1) time, place and duration of the meeting;
- (2) the matters and proposals to be considered at the meeting;
- (3) a conspicuous statement that all ordinary Shareholders are entitled to attend the general meeting, and all ordinary Shareholders have the right to appoint proxies to attend the meeting and vote on his/her behalf, and that such proxy need not be a Shareholder of the Company;
- (4) the shareholding record date of Shareholders entitled to attend the general meeting;
- (5) the name and telephone number of standing contact person for meeting services;
- (6) time and procedures of the voting online or by any other means.

Notices and supplementary notices of general meetings shall adequately and completely disclose the particulars of all proposals. Where the opinions of an independent non-executive Director are required on the matters to be discussed, such opinions and reasons thereof shall be disclosed when the notices or supplementary notices of general meetings are issued.

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### *Convening of general meetings*

All ordinary Shareholders or their proxies in the register of members on the shareholding record date shall have the right to attend the general meeting and exercise their voting rights in accordance with relevant laws, regulations, the Hong Kong Listing Rules and the Articles of Association (unless individual Shareholders are required to waive their voting rights on certain matters under the securities regulatory rules of the place where the Company's Shares are listed). Shareholders are entitled to speak at the general meeting.

A Shareholder may attend a general meeting in person or appoint one person as proxy (who may not be a Shareholder of the Company) to attend and vote on his behalf.

When a general meeting is convened, all the Directors, Supervisors and the secretary to the Board of the Company shall attend the meeting, and the general manager and other senior management shall be present at the meeting.

General meetings shall be chaired by the chairman of the Board. In the event that the chairman is unable or fails to perform his duties, a Director jointly elected by a simple majority of the Directors shall preside over the meeting.

For a general meeting summoned by the Supervisory Committee on its own initiative, the chairman of the Supervisory Committee shall preside over such meeting. In the event that the chairman of the Supervisory Committee is unable or fails to perform his duties, a Supervisor jointly elected by a simple majority of the Supervisors shall preside over the meeting.

A general meeting summoned by the Shareholders on their own initiative shall be presided over by a representative selected by the convener.

When convening a general meeting, in the event that the presiding officer of the meeting violates the rules of procedure such that the meeting cannot be continued, the general meeting may, with the consent of more than half of the Shareholders present at the general meeting with voting rights, elect one person to act as the presiding officer to continue the meeting.

### *Voting and resolution at a general meeting*

Resolutions at general meetings are divided into ordinary resolutions and special resolutions.

An ordinary resolution at a general meeting shall be passed by a simple majority of the voting rights held by the Shareholders (including their proxies) present at the general meeting.

A special resolution at a general meeting shall be passed by at least two-thirds of the voting rights held by the Shareholders (including their proxies) present at the general meeting.

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The following matters shall be adopted by ordinary resolution of the general meeting:

- (1) issuance of corporate bond;
- (2) provide guaranty for any other person;
- (3) working reports of the Board and the Supervisory Committee;
- (4) profit distribution plans and loss recovery plans prepared by the Board;
- (5) the appointment and removal of members of the Board and the Supervisory Committee and their remuneration and payment method thereof;
- (6) annual reports of the Company;
- (7) matters other than those required to be passed by ordinary resolution as stipulated by laws, administrative regulations, or the articles of association

The following matters shall be adopted by special resolution of a general meeting:

- (1) increase or reduction of the registered capital of the Company;
- (2) merger, division, spin-off, change of corporate form, dissolution and liquidation of the Company;
- (3) amendments to the Articles of Association;
- (4) the purchase or sale of material assets or the provision of guarantees by the Company within one year in an amount exceeding 30% of the Company's latest audited total assets;
- (5) share incentive schemes;
- (6) other matters prescribed by the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association, or determined by a general meeting via ordinary resolution as having a material impact on the Company that shall be adopted by special resolution.

Shareholders (including their proxies) shall exercise their voting rights in line with the amount of the Shares with voting rights they represent, each share shall carry one vote. The Company's own Shares held by the Company do not carry voting rights and such Shares shall not count towards the total number of Shares with voting rights at general meetings.



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The resolutions of the general meeting shall be announced in a timely manner, and the announcement shall indicate the number of Shareholders and proxies that attended the meeting, the total number of Shares with voting rights held by them and its proportion to the total number of Shares with voting rights of the Company, and the voting method, voting results of each resolution and detailed contents of each resolution passed.

### **DIRECTORS AND BOARD OF DIRECTORS**

#### **Directors**

Directors shall be elected or replaced at general meetings, and any Director, including executive Directors, may be removed by ordinary resolution at a general meeting before the expiration of his term of office, but such removal shall not affect any claim for damages under any contract by such Director. The term of office of Directors shall be three years. Upon the expiry of the term, a Director shall be eligible for re-election and re-appointment. Shareholders shall not remove a Director without good reason at a general meeting prior to the expiration of his term.

The term of office of a Director commences from the date he takes office, until the current term of office of the Board ends. The original Director shall continue to perform his duties as a Director in accordance with the laws, administrative regulations, departmental rules, Hong Kong Listing Rules, other regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association until a re-elected Director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office.

Any person appointed by the Board to fill a casual vacancy on the Board or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his appointment, and can offer himself for re-election and re-appointment at the meeting.

The Directors shall observe the laws, administrative regulations and the Articles of Association, and shall assume the duties of loyalty and due diligence to the Company.

#### **Board of Directors**

The Company shall establish a Board to implement resolutions of general meetings. The Board consists of eight Directors with one chairman, including three independent non-executive Directors.

The Board shall exercise the following functions and powers:

- (1) to summon general meetings and report its work to general meetings;
- (2) to implement resolutions of general meetings;
- (3) to decide on the Company's business plan and investment project;

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- (4) to formulate the Company's profit distribution plan and loss recovery plan;
- (5) to formulate plans for increase or reduction of the registered capital of the Company, issuance of bonds or other securities and the listing of the Company;
- (6) to formulate plans for major acquisition of the Company, acquisition of the Company's Shares or merger, division, dissolution and change in corporate form of the Company;
- (7) to decide, within the authorization of the general meeting, on matters such as external investments, acquisition and sale of assets, pledging of assets, external guarantees, entrusted wealth management, connected transactions and external donations of the Company;
- (8) to decide on the establishment of the internal management structure of the Company;
- (9) to decide on the appointment or dismissal of the general manager, the secretary to the Board and other senior management of the Company, and to decide on matters in relation to their remuneration, rewards and punishments; according to the nomination by the general manager, to decide on the appointment or dismissal of senior management such as the deputy general manager and the financial controller, and to decide on matters in relation to their remuneration, rewards and punishments;
- (10) to formulate the basic management system of the Company;
- (11) to formulate the revision plan for the Articles of Association;
- (12) to manage information disclosure of the Company;
- (13) to submit to the general meeting a request for the engagement or replacement of the accounting firm auditing for the Company;
- (14) to receive work reports from the general manager of the Company and review the work of the general manager;
- (15) such other powers granted by laws, administrative regulations, departmental rules, Hong Kong Listing Rules, other regulatory rules of the place where the Company's shares are listed, the Articles of Association or general meetings.

Matters exceeding the scope of authority delegated by general meetings shall be submitted to a general meeting for consideration.

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The Board shall meet at least twice a year, such meeting shall be summoned by the chairman of the Board, with written notice and sufficient information provided to all Directors and Supervisors fourteen days prior to the meeting.

The Board meeting shall be held in the presence of more than half of the Directors. Except as otherwise provided in the laws and regulations and the Articles of Association, a resolution of the Board must be passed by a simple majority of all Directors.

Voting on Board resolutions shall be made on a one-person-one-vote basis. When the number of votes against and in favor are equal, the chairman has the right to cast an additional vote.

### *Special committees under the Board*

The Board of the Company shall establish an Audit Committee, a Nomination Committee and a Remuneration and Appraisal Committee. Such special committees shall be accountable to the Board and shall perform their duties in accordance with the Articles of Association and the authority delegated by the Board, and their proposals shall be submitted to the Board for consideration and approval. The members of the special committees shall be composed entirely of Directors. The Audit Committee shall consist of at least three members and a majority of the members shall not hold positions in the Company other than as Directors, and shall not have any relationship with the Company that may affect their independent and objective judgment. The Audit Committee shall be chaired by an independent non-executive Director. A majority of the members of the Nomination Committee shall be independent non-executive Directors and it shall be chaired by the chairman of the Board or an independent non-executive Director. A majority of the members of the Remuneration and Appraisal Committee shall be independent non-executive Directors and it shall be chaired by an independent non-executive Director. The Board is responsible for formulating the working rules of the special committees to standardize their operation.

### *Secretary to the Board of the Company*

The Company shall have a secretary to the Board, who shall be responsible for the preparation of general meetings and Board meetings of the Company, the custody of documents and the management of the Shareholders' information of the Company, the handling of information disclosure and investor relations.

The secretary to the Board shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and the Articles of Association.

### *General manager and other senior management*

The Company shall have a general manager who shall be appointed or dismissed by the Board. The term of office of the general manager shall be three years for each session, and the general manager may be re-appointed upon re-election.

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The general manager shall be responsible to the Board and exercise the functions and powers according to the provisions of the Articles of Association or the authorization of the Board. The general manager shall be present at Board meetings.

### **SUPERVISORS AND SUPERVISORY COMMITTEE**

#### **Supervisors**

Directors, the general manager and other senior management shall not concurrently serve as Supervisors.

The term of office of the Supervisors shall be three years for each session. Supervisors are eligible for re-election upon expiry of their term of office. If a Supervisor's term of office expires without timely re-election, or if a Supervisor resigns during his term of office, resulting in the number of members on the Supervisory Committee falling below the quorum, the original Supervisor shall still perform his duties as a Supervisor in accordance with the laws, administrative regulations and the provisions of the Articles of Association until the re-elected Supervisor assumes office.

Supervisors shall abide by the laws, administrative regulations, Hong Kong Listing Rules, other regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall have a duty of loyalty and diligence to the Company, and shall not use their authority to accept bribes or other illegal income or misappropriate the property of the Company.

#### **Supervisory Committee**

The Company shall have a Supervisory Committee. The Supervisory Committee shall consist of three Supervisors and shall have one chairman. The chairman of the Supervisory Committee shall be elected by more than half of all Supervisors. The chairman of the Supervisory Committee shall summon and preside over meetings of the Supervisory Committee; if the chairman of the Supervisory Committee is unable to perform his duties or does not perform his duties, a simple majority of the Supervisors shall jointly elect a Supervisor to summon and preside over the meeting of the Supervisory Committee.

The Supervisory Committee shall have representatives of the Shareholders and an appropriate proportion of representatives of the employees of the Company, of which the proportion of employee representatives shall not be less than one-third. The employee representatives on the Supervisory Committee shall be democratically elected by the employees of the Company through the staff congress, staff meeting or other forms. The Supervisory Committee shall exercise the following functions and powers:

- (1) to review and provide written opinions of review on the periodic reports of the Company prepared by the Board;

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- (2) to inspect the financial position of the Company;
- (3) to supervise the conduct of Directors and senior management in performing their duties for the Company and to propose the dismissal of Directors and senior management who violate the laws, administrative regulations, the Articles of Association or resolutions of the general meetings;
- (4) to require Directors and senior management to rectify their actions when such actions are detrimental to the interests of the Company;
- (5) to propose the convening of an extraordinary general meeting and to summon and preside over general meetings when the Board does not perform its duties to summon and preside over general meetings as provided for in the Company Law;
- (6) to submit proposals to general meetings;
- (7) to institute legal actions against Directors and senior management in accordance with the provisions of Article 189 of the Company Law;
- (8) to conduct investigations when abnormalities are discovered in the Company's operation; if necessary, professional organizations such as accounting firms and law firms may be engaged to assist in the work at the Company's expense.

The Supervisory Committee shall meet at least once every six months. A Supervisor may propose an extraordinary meeting of the Supervisory Committee. Resolutions of the Supervisory Committee shall be passed by a simple majority of all Supervisors.

### FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

#### Financial Accounting System

The Company shall formulate its financial accounting system in accordance with the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the provisions of relevant state departments.

The Company shall prepare its annual financial accounting report within four months from the end of each accounting year and its interim financial accounting report within two months from the end of the first six months of each accounting year.

Periodic reports on H Shares of the Company shall include annual reports and interim reports. The Company shall disclose a preliminary announcement of its annual results within three months from the end of each accounting year, and complete and disclose its annual report within four months from the end of each accounting year and at least 21 days before the date of the annual general meeting.

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The Company shall disclose a preliminary announcement of its interim results within two months from the end of the first six months of each accounting year, and complete and disclose its interim report within three months from the end of the first six months of each accounting year.

The above-mentioned annual results, annual reports, interim results and interim reports shall be prepared according to the relevant laws, administrative regulations, the provisions of the securities regulators and stock exchange where the Company's shares are listed.

If the applicable laws, administrative regulations, normative documents promulgated by competent authorities, Hong Kong Listing Rules and other regulatory rules of the place where the Company's shares are listed have special requirements on financial reporting, such provisions shall apply.

### **Profit Distribution**

When the Company distributes the profit after tax for the year, 10% of the profit shall be withdrawn and included in the Company's statutory reserve. Where the accumulated amount of the Company's statutory reserve is more than 50% of the Company's registered capital, further allocation is not required.

If the Company's statutory reserve is not sufficient to cover losses of previous years, it shall, before withdrawing the statutory reserve in accordance with the preceding paragraph, make up the losses from the profits of the current year in the first place.

After the Company has withdrawn statutory reserve from its profit after tax, it may also make an arbitrary reserve from its profit after tax by resolution of the general meeting.

The remaining profit after tax after the Company has made up its losses and withdrawn its reserves may be distributed in proportion to the Shares held by the Shareholders, except where the Articles of Association provide that the distribution shall not be made in proportion to the Shares held.

If the Company distributes profits to Shareholders in violation of the Company Law and the Articles of Association, the Shareholders shall return the profits so distributed to the Company; if losses are caused to the Company, the Shareholders and the accountable Directors, Supervisors, and senior management shall bear the liability for compensation.

The Company's own shares held by the Company shall not participate in the distribution of profits.

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## SUMMARY OF ARTICLES OF ASSOCIATION

### Auditing

The Company implements an internal audit system with full-time auditors to carry out internal audit and supervision of the Company's financial income and expenditure and economic activities.

### NOTICE AND ANNOUNCEMENT

Notices of the Company shall be given in the following forms:

- (1) delivered by hand;
- (2) delivered by fax, email or mail;
- (3) by public announcement;
- (4) Other forms stipulated by the articles of association.

For notices issued by the Company to the H Shareholders by way of announcement, the Company shall on the same day submit its electronic version available for real-time publication to the Hong Kong Stock Exchange through the e-submission system of the Hong Kong Stock Exchange for release on the website of the Hong Kong Stock Exchange in accordance with the local listing rules, or publish an announcement in newspapers (including the publication of an advertisement in newspapers) in accordance with the local listing rules. The announcement shall at the same time also be published on the Company's website. For notices delivered by person or mail, such notices shall be delivered to each of the registered addresses as set forth in the register of H Shareholders by personal delivery or prepaid mail, so as to give the Shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice. If the listing rules of the stock exchange where the Company's shares are listed have special provisions, such provisions shall prevail.

The H Shareholders of the Company can, in writing, select to receive corporate communication by electronic means or by mail that the Company shall send to Shareholders, and they can also select to receive Chinese or English version only, or both. Shareholders can give written notice in advance to the Company within a reasonable time to revise the method and language version of receiving foregoing information under appropriate procedures.

Shareholders or Directors who wish to prove that certain notices, documents, information or written statements have been served on the Company shall provide evidence showing the same has been served to the correct address by ordinary means or by prepaid mail within the specified period of time.

## **APPENDIX V**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

In the event that the listing rules of the stock exchange of the place where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the Shareholders intend to receive either the English or the Chinese version, the Company may (as per the preference stated by the Shareholders) only send the English version or the Chinese version to the Shareholders concerned to the extent permitted by and subject to applicable laws and regulations.

The Company shall publish its announcements and other information to be disclosed in the information disclosure media that comply with the Company Law, Securities Law and other laws, administrative regulations, and regulatory requirements of the place where the Company's shares are listed. The Company shall issue announcements and disclose information to Shareholders through information disclosure newspapers and websites designated or recognized by laws, administrative regulations, relevant domestic regulatory authorities or the stock exchange where the Company's shares are listed.

### **MERGER, DIVISION, DISSOLUTION AND LIQUIDATION**

#### **Merger and Division**

A merger of the Company may take the form of a merger by absorption or a merger by new creation.

The absorption of one company into another is a merger by absorption and the absorbed company shall be dissolved. The merger of two or more companies to create a new company is a merger by new creation and the parties to the merger shall be dissolved.

Where the Company merges with another company in which the former holds not less than 90% of the shares of another company, the acquired company is not required to obtain approval by resolution of its general meeting, but shall notify other Shareholders who have the right to request the Company to buy its equities or shares at a reasonable price. If the price paid for a company's merger does not exceed 10% of the Company's net assets, approval by resolution of its general meeting may not be required, unless otherwise provided by the regulatory rules of the place where the Company's shares are listed or the Articles of Association. Where a company's merger is exempted from approval by resolution of the general meeting as previously stated, it shall be subject to approval by resolution of the Board.

In case of merger or division of the Company, and the registered matters have changed, the registration of the changes shall be made with the company registration authority in accordance with the law; if the Company is dissolved, the registration of cancelation of the company shall be made in accordance with the law; if a new company is established, the registration of establishment of a company shall be made in accordance with the law.



## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

### Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- (1) the term of business provided for in the Articles of Association has expired or the occurrence of any other cause of dissolution provided for in the Articles of Association;
- (2) dissolution has been resolved by the general meeting;
- (3) dissolution is required for merger or division of the Company;
- (4) having the business license revoked, ordered to be shut down or be deregistered in accordance with the law;
- (5) where the Company has serious difficulties in its operation and management, and the continuation of the Company will cause significant losses to the interests of the Shareholders, and the problem cannot be solved through other means, Shareholders holding more than 10% of the voting rights of all Shareholders of the Company may request a people's court to dissolve the Company.

In case any event of dissolution specified in the preceding paragraph occurs, the Company shall publish an announcement regarding the reasons for dissolution on the National Enterprise Credit Information Publicity System within 10 days.

Where the Company falls under the circumstances described in items (1) and (2) above, and no property has been distributed to the Shareholders, the Company may survive by amending the Articles of Association. Amendments to the Articles of Association in accordance with the foregoing requirements shall be approved by at least two-thirds of the voting rights held by the Shareholders present at the general meeting.

If the Company shall be dissolved pursuant to the items (1), (2), (4) and (5) above, it shall establish a liquidation committee within 15 days from the date of occurrence of the reasons for dissolution to start the liquidation process. The liquidation committee shall be composed of Directors, unless otherwise stipulated in the Articles of Association or the general meeting has resolved to elect another person. If the liquidation obligors fail to perform liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation. If the liquidation committee is not established to commence liquidation after the deadline or the liquidation does not commence after the liquidation committee is established, interested parties may apply to the people's court to designate relevant persons to form a liquidation committee for liquidation. If the Company shall be dissolved pursuant to the item (4) above, the department or company registration authority that made the decision to revoke the business license, order closure, or deregister the Company may apply to the people's court to designate relevant persons to form a liquidation committee for liquidation.

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**APPENDIX V**

**SUMMARY OF ARTICLES OF ASSOCIATION**

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**Amendment of the Articles of Association**

The Company shall amend the Articles of Association upon occurrence of any of the following circumstances:

- (1) the Company Law or relevant laws, administrative regulations, Hong Kong Listing Rules and other regulatory rules of the place where the Company's shares are listed are amended, and the matters provided for in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations, Hong Kong Listing Rules and other regulatory rules of the place where the Company's shares are listed;
- (2) there has been a change in the circumstances of the Company, resulting in the inconsistency of the matters recorded in the Articles of Association;
- (3) the general meeting has decided to amend the Articles of Association.

If the amendment to the Articles of Association adopted by resolution of the general meeting is subject to the approval of the competent authority, it shall be reported to the competent authority for approval; if it involves matters of company registration, the registration of the changes shall be made with the company registration authority in accordance with the law.

The Board shall amend the Articles of Association in accordance with the resolution of the general meeting in relation to the amendment of the Articles of Association and the approval of the relevant competent authorities.

Where the amendments to the Articles of Association are information required to be disclosed by laws and regulations, the relevant matters shall be announced as required.

**FURTHER INFORMATION ABOUT OUR COMPANY**

**Incorporation**

Our Company was incorporated as a limited liability company in the PRC on April 17, 2015 and was converted into a joint stock limited company on October 14, 2024 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company is RMB71,819,058.

Our Company has established a place of business in Hong Kong at Hong Kong at 4/F, Jardine House, 1 Connaught Place, Central, Hong Kong, and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on February 4, 2025. Mr. Chan Hei Yeung has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Summary of Articles of Association” in Appendix V to this document. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in “Summary of Principal Laws and Regulations” in Appendix IV to this document.

**Changes in Share Capital of Our Company**

Our Company was established on April 17, 2015 with an initial registered capital of RMB10,000,000, which has been fully paid up. The following sets out the changes of our share capital since the date of our establishment:

- (a) on May 18, 2016, our registered capital was increased to RMB60,000,000;
- (b) on July 13, 2018, our registered capital was increased to RMB62,663,200;
- (c) on August 5, 2021, our registered capital was increased to RMB66,423,000;
- (d) on July 1, 2022, our registered capital was increased to RMB68,904,500;
- (e) on June 1, 2023, our registered capital was increased to RMB69,455,700;
- (f) on February 19, 2024, our registered capital was increased to RMB70,782,100;
- (g) on November 4, 2024, our registered capital was increased to RMB 70,959,055; and
- (h) on February 10, 2025, our registered capital was increased to RMB 71,819,058.

## APPENDIX VI

## STATUTORY AND GENERAL INFORMATION

As of the Latest Practicable Date, the registered share capital of our Company was RMB71,819,058 divided into 71,819,058 Shares with a nominal value of RMB1.00 each. Further, our Company expects to subdivide its Shares from one Share of RMB1.00 each into [four] Shares of RMB[0.25] each immediately prior to the [REDACTED].

For details of changes in our share capital since the date of our establishment, please see “History, Development and Corporate Structure”.

Upon completion of the [REDACTED], but without taking into account any H Shares which may be issued pursuant to the exercise of the [REDACTED], our Company’s registered capital will be increased to RMB[REDACTED], comprising [REDACTED] Shares and [REDACTED] H Shares fully paid up or credited as fully paid up, representing [REDACTED]% and [REDACTED]% of our registered capital, respectively.

Save as aforesaid, there has been no alteration in our Company’s share capital since our Company’s establishment.

### Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries in Note 1 to the Accountant’s Report set out in Appendix I to this document.

There has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this document. For details of our subsidiaries, see “History, Development and Corporate Structure — Our Major Subsidiaries”.

### Resolutions of our Shareholders

Pursuant to the resolutions of our Shareholders passed on [●], 2025, our Shareholders resolved to approve, among other things, the following:

- (a) the issuance by our Company of the H Shares of nominal value of RMB0.25 each and such H Shares being [REDACTED] on the Hong Kong Stock Exchange;
- (b) the number of H Shares to be issued pursuant to the [REDACTED], and the grant to the [REDACTED] (or their representatives) of the [REDACTED] of not more than 15% of the number of H Shares issued pursuant to the [REDACTED];
- (c) subject to the filing with the CSRC being completed, upon completion of the Share Subdivision and the [REDACTED], [REDACTED] Shares will be converted into H Shares on a one-for-one basis;
- (d) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association which shall become effective on the [REDACTED], and authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and
- (e) authorization of the Board to handle matters relating to, among other things, the [REDACTED], the issue and [REDACTED] of the H Shares.

## APPENDIX VI

## STATUTORY AND GENERAL INFORMATION

### FURTHER INFORMATION ABOUT OUR BUSINESS

#### Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be materials as well as contracts required to be disclosed pursuant to the Chapter 4.1 of the Guide for New Listing Applicants issued by the Stock Exchange:

- (a) the capital increase agreement dated December 29, 2023 entered into among Jiaxing Mianmiao Equity Investment Partnership (Limited Partnership) (嘉興緬邈股權投資合夥企業(有限合夥)) (“**Jiaxing Mianmiao**”), Fujian Helihemei Technology Co., Ltd. (福建合力合美科技有限公司), Xiamen Baige Tongchuang Equity Investment Partnership (Limited Partnership) (廈門白鴿同創股權投資合夥企業(有限合夥)), Gerui (Xiamen) Enterprise Management Co., Ltd. (格訥(廈門)企業管理有限公司), Xiamen Fuguohao Financial Management Co., Ltd. (廈門富國豪財務管理有限公司), New Hope Investment Group Co., Ltd. (新希望投資集團有限公司), Xiamen Huicheng Lingyue Technology Co., Ltd. (廈門匯成領躍科技有限公司), Xiamen Meitong Luqi Equity Investment Partnership (Limited Partnership) (廈門市美桐陸期股權投資合夥企業(有限合夥)), Lin Baojie (林報捷) and our Company, pursuant to which Jiaxing Mianmiao subscribed for RMB1,326,400 in the registered capital of our Company at a consideration of RMB19,250,000;
- (b) the shareholders’ agreement dated December 29, 2023 entered into among Jiaxing Mianmiao Equity Investment Partnership (Limited Partnership) (嘉興緬邈股權投資合夥企業(有限合夥)), Fujian Helihemei Technology Co., Ltd. (福建合力合美科技有限公司), Xiamen Baige Tongchuang Equity Investment Partnership (Limited Partnership) (廈門白鴿同創股權投資合夥企業(有限合夥)), Gerui (Xiamen) Enterprise Management Co., Ltd. (格訥(廈門)企業管理有限公司), Xiamen Fuguohao Financial Management Co., Ltd. (廈門富國豪財務管理有限公司), New Hope Investment Group Co., Ltd. (新希望投資集團有限公司), Xiamen Huicheng Lingyue Technology Co., Ltd. (廈門匯成領躍科技有限公司), Xiamen Meitong Luqi Equity Investment Partnership (Limited Partnership) (廈門市美桐陸期股權投資合夥企業(有限合夥)), Lin Baojie (林報捷), our Company and Tu Jinbo (涂錦波), pursuant to which shareholders’ rights were agreed among the aforementioned parties;
- (c) the capital increase agreement dated October 1, 2024 entered into among Prolight Corporation Limited (光博有限公司) (“**Prolight**”), Fujian Helihemei Technology Co., Ltd. (福建合力合美科技有限公司), Xiamen Baige Tongchuang Equity Investment Partnership (Limited Partnership) (廈門白鴿同創股權投資合夥企業(有限合夥)), Gerui (Xiamen) Enterprise Management Co., Ltd. (格訥(廈門)企業管理有限公司), Xiamen Fuguohao Financial Management Co., Ltd. (廈門富國豪財務管理有限公司), Tu Jinbo (涂錦波) and our Company, pursuant to which Prolight subscribed for RMB176,955 in the registered capital of our Company at a consideration of RMB5,000,000;

**APPENDIX VI**

**STATUTORY AND GENERAL INFORMATION**

- (d) the capital increase agreement dated December 16, 2024 entered into among Fujian Yongchun Transformation and Upgrading Industrial Investment Partnership (Limited Partnership) (福建省永春轉型升級產業投資合夥企業(有限合夥)) (“**Fujian Yongchun**”), Fujian Helihomei Technology Co., Ltd. (福建合力合美科技有限公司), Xiamen Baige Tongchuang Equity Investment Partnership (Limited Partnership) (廈門白鵠同創股權投資合夥企業(有限合夥)), Gerui (Xiamen) Enterprise Management Co., Ltd. (格訥(廈門)企業管理有限公司), Xiamen Fuguohao Financial Management Co., Ltd. (廈門富國豪財務管理有限公司), Tu Jinbo (涂錦波) and our Company, pursuant to which Fujian Yongchun subscribed for RMB530,866 in the registered capital of our Company at a consideration of RMB15,000,000;
- (e) the capital increase agreement dated January 16, 2025 entered into among Shenzhen Minyin Sci-Tech Innovation No. 1 Private Equity Investment Fund Partnership (Limited Partnership) (深圳民銀科創一號私募股權投資基金合夥企業(有限合夥)) (“**Minyin Sci-Tech**”), Fujian Helihomei Technology Co., Ltd. (福建合力合美科技有限公司), Xiamen Baige Tongchuang Equity Investment Partnership (Limited Partnership) (廈門白鵠同創股權投資合夥企業(有限合夥)), Gerui (Xiamen) Enterprise Management Co., Ltd. (格訥(廈門)企業管理有限公司), Xiamen Fuguohao Financial Management Co., Ltd. (廈門富國豪財務管理有限公司), Tu Jinbo (涂錦波) and our Company, pursuant to which Minyin Sci-Tech subscribed for RMB329,137 in the registered capital of our Company at a consideration of RMB9,300,000;
- (f) the shareholders’ agreement dated February 7, 2025 entered into among our Company, Fujian Helihomei Technology Co., Ltd. (福建合力合美科技有限公司), Xiamen Baige Tongchuang Equity Investment Partnership (Limited Partnership) (廈門白鵠同創股權投資合夥企業(有限合夥)), Gerui (Xiamen) Enterprise Management Co., Ltd. (格訥(廈門)企業管理有限公司), Xiamen Fuguohao Financial Management Co., Ltd. (廈門富國豪財務管理有限公司), New Hope Investment Group Co., Ltd. (新希望投資集團有限公司), Xiamen Huicheng Lingyue Technology Co., Ltd. (廈門匯成領躍科技有限公司), Xiamen Meitong Luqi Equity Investment Partnership (Limited Partnership) (廈門市美桐陸期股權投資合夥企業(有限合夥)), Lin Baojie (林報捷), Jiaying Mianmiao Equity Investment Partnership (Limited Partnership) (嘉興緬邈股權投資合夥企業(有限合夥)), Prolight Corporation Limited (光博有限公司), Fujian Yongchun Transformation and Upgrading Industrial Investment Partnership (Limited Partnership) (福建省永春轉型升級產業投資合夥企業(有限合夥)), Shenzhen Minyin Sci-Tech Innovation No. 1 Private Equity Investment Fund Partnership (Limited Partnership) (深圳民銀科創一號私募股權投資基金合夥企業(有限合夥)), our Company and Tu Jinbo (涂錦波), pursuant to which shareholders’ rights were agreed among the aforementioned parties; and
- (g) the [REDACTED].

**APPENDIX VI STATUTORY AND GENERAL INFORMATION**

**Intellectual Property Rights**

*Trademarks*

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Class	Registration Number	Registered Owner	Date of Registration	Place of Registration
1. . .	BG Turbo	9	50069487	Our Company	May 14, 2021	PRC
2. . .	BG Turbo	35	50043586	Our Company	May 14, 2021	PRC
3. . .	BG Turbo	36	50050791	Our Company	May 14, 2021	PRC
4. . .	白鸽探保	9	50054739	Our Company	May 14, 2021	PRC
5. . .	白鸽探保	35	50054438	Our Company	May 14, 2021	PRC
6. . .	白鸽探保	36	50070579	Our Company	May 14, 2021	PRC
7. . .	白鸽探保	42	50051561	Our Company	May 14, 2021	PRC
8. . .	白鸽 e 保	36	54019271	Our Company	September 14, 2021	PRC
9. . .	白鸽懂你	33	57185925	Our Company	December 28, 2021	PRC
10. .	白鸽方舟	35	67463024	Our Company	April 7, 2023	PRC
11. .	白鸽方舟	36	67499280	Our Company	April 7, 2023	PRC
12. .	白鸽方舟	42	67480650	Our Company	April 14, 2023	PRC
13. . .	<b>白鸽乐保</b>	35	68392762	Our Company	June 7, 2023	PRC
14. .	白鸽乐保	36	53997820	Our Company	September 14, 2021	PRC
15. .	白鸽乐保	42	53997814	Our Company	September 14, 2021	PRC
16. .	白鸽在线	31	66045053	Our Company	August 21, 2023	PRC

**APPENDIX VI STATUTORY AND GENERAL INFORMATION**

No.	Trademark	Class	Registration Number	Registered Owner	Date of Registration	Place of Registration
17. . .	白鸽在线	41	66063924	Our Company	July 28, 2023	PRC
18. . .		36	54004762	Our Company	September 21, 2021	PRC
19. . .		42	54009612	Our Company	September 21, 2021	PRC
20. . .	小花伞	9	40560094	Our Company	April 7, 2020	PRC
21. . .	白鸽	36	20120391	Our Company	July 14, 2017	PRC
22. . .	白鸽宝	36	20120583	Our Company	July 14, 2017	PRC
23. . .	白鸽金服	36	20120669	Our Company	July 14, 2017	PRC
24. . .	 小花伞	36	28622118	Our Company	December 14, 2018	PRC
25. . .		9	23599882	Baigebao	March 28, 2018	PRC
26. . .		36	23600064	Baigebao	April 28, 2018	PRC
27. . .		42	40576325	Baigebao	June 14, 2020	PRC
28. . .		36	54567067	Baigebao	October 7, 2021	PRC
29. . .		42	16216226	Xiamen Shuge	June 21, 2016	PRC



**APPENDIX VI STATUTORY AND GENERAL INFORMATION**

*Patents*

As of the Latest Practicable Date, we have registered the following patents which we consider to be or may be material to our business:

<u>No.</u>	<u>Name of Patent</u>	<u>Patent Number</u>	<u>Owner</u>	<u>Date of Registration</u>
1. . .	A self-service insurance take out system and claim settlement terminal based on big data (一種基於大數據的自助投保系統及理賠終端)	ZL 2022 1 0625251.3	Our Company	June 2, 2022
2. . .	An intelligent insurance take out system and terminal data processing server (一種智能投保系統及終端數據處理服務器)	ZL 2022 1 0801551.2	Our Company	July 7, 2022
3. . .	A method and system for intelligent insurance recommendation based on user portrait (一種基於用戶畫像的保險智能推薦方法及系統)	ZL 2024 1 1290802.0	Our Company	September 14, 2024
4. . .	An energy-saving self-service insurance system and claim settlement terminal (一種節能的自助保險服務理賠終端)	ZL 2021 2 1337433.8	Our Company	June 16, 2021
5. . .	An internet insurance service device which is convenient for use (一種便民使用的互聯網保險服務裝置)	ZL 2021 2 1337422.X	Our Company	June 16, 2021
6. . .	A self-service sales service machine for insurance business (一種實現保險業務自助銷售服務機)	ZL 2021 2 1337434.2	Our Company	June 16, 2021

**APPENDIX VI STATUTORY AND GENERAL INFORMATION**

*Copyrights*

As of the Latest Practicable Date, we have the following copyrights which we consider to be or may be material to our Group’s business:

<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
1. . . .	Intelligent IP address allocation system for mobile Internet access V1.0 (移動互聯網接入IP地址智能分配系統 V1.0)	2017SR460656	Our Company	January 24, 2017	PRC
2. . . .	Baige online data processing system (白鴿在線數據處理系統系統V1.0)	2017SR460662	Our Company	January 27, 2017	PRC
3. . . .	Baige online assets management software V1.0 (白鴿在線資產管理軟件V1.0)	2017SR460635	Our Company	March 6, 2017	PRC
4. . . .	Baige 3D animation production software V1.0 (白鴿三維動漫製作軟件V1.0)	2017SR458339	Our Company	April 10, 2017	PRC
5. . . .	Baige software development monitoring platform V1.0 (白鴿軟件開發監控平台V1.0)	2017SR460668	Our Company	December 18, 2016	PRC
6. . . .	Baige integrated circuit design software V1.0 (白鴿集成電路設計軟件V1.0)	2017SR460672	Our Company	December 25, 2016	PRC
7. . . .	Intelligent multimedia call center system V1.0 (智能多媒體呼叫中心系統 V1.0)	2017SR463446	Our Company	December 30, 2016	PRC

**APPENDIX VI STATUTORY AND GENERAL INFORMATION**

<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
8. . . .	Baige information technology consulting service management system V1.0 (白鴿信息技術諮詢服務管理系統V1.0)	2017SR463893	Our Company	February 8, 2017	PRC
9. . . .	Baige information technology business supporting system V1.0 (白鴿信息技術業務支持系統V1.0)	2017SR463389	Our Company	March 1, 2017	PRC
10. . .	Baige information technology evaluation system V1.0 (白鴿信息技術測評系統V1.0)	2017SR463423	Our Company	February 15, 2017	PRC
11. . .	Baige online comprehensive information publishing platform V1.0 (白鴿在線綜合信息發佈平台V1.0)	2017SR463441	Our Company	February 17, 2017	PRC
12. . .	Baige online investment management software V1.0 (白鴿在線投資管理軟件V1.0)	2017SR463428	Our Company	March 25, 2017	PRC
13. . .	Baige comics design software V1.0 (白鴿漫畫設計軟件V1.0)	2017SR463406	Our Company	March 30, 2017	PRC
14. . .	Baige insurance online marketing cooperation platform V1.0 (白鴿保險在線營銷協作平台V1.0)	2017SR447663	Our Company	July 1, 2016	PRC

**APPENDIX VI STATUTORY AND GENERAL INFORMATION**

<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
15. . .	Baige insurance online claims software V1.0 (白鴿保險在線理賠軟件V1.0)	2017SR447673	Our Company	July 9, 2016	PRC
16. . .	Insurance online insurance take our and claim platform V1.0 (保險在線投保理賠平台V1.0)	2017SR447700	Our Company	September 10, 2016	PRC
17. . .	Baige software development cost management software V1.0 (白鴿軟件開發成本管理軟件V1.0)	2017SR451737	Our Company	November 27, 2016	PRC
18. . .	Insurance online tailoring platform V1.0 (保險在線定製平台V1.0)	2017SR447708	Our Company	September 25, 2016	PRC
19. . .	Client online orders management system V1.0 (客戶在線下單管理系統V1.0)	2017SR451628	Our Company	June 8, 2016	PRC
20. . .	Online insurance application system for businesses V1.0 (商務在線保險應用系統V1.0)	2017SR451621	Our Company	June 23, 2016	PRC
21. . .	Baige insurance online payment software V1.0 (白鴿保險在線支付軟件V1.0)	2017SR460437	Our Company	May 7, 2016	PRC
22. . .	Baige insurance online APP software V1.0 (白鴿保險在線APP軟件V1.0)	2017SR447726	Our Company	July 28, 2016	PRC
23. . .	Baige animation design software V1.0 (白鴿動畫設計軟件V1.0)	2017SR463414	Our Company	April 3, 2017	PRC

**APPENDIX VI STATUTORY AND GENERAL INFORMATION**

<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
24. . .	Internet access platform V1.0 (互聯網接入平台V1.0)	2017SR454883	Our Company	January 1, 2017	PRC
25. . .	Internet protection gateway control system V1.0 (互聯網防護網關控制系統V1.0)	2017SR454888	Our Company	January 4, 2017	PRC
26. . .	Internet access dynamic detection software (互聯網接入動態檢測軟件V1.0)	2017SR454894	Our Company	January 10, 2017	PRC
27. . .	Internet access authentication software V1.0 (互聯網接入認證軟件V1.0)	2017SR453699	Our Company	January 20, 2017	PRC
28. . .	Baige online data storage service system V1.0 (白鴿在線數據存儲服務系統V1.0)	2017SR454983	Our Company	February 1, 2017	PRC
29. . .	Digital content integrated service platform V1.0 (數字內容綜合服務平台V1.0)	2017SR455013	Our Company	December 28, 2016	PRC
30. . .	Network engineering information security management software V1.0 (網絡工程信息安全管理軟件V1.0)	2017SR451731	Our Company	November 30, 2016	PRC
31. . .	Baige management system for software development approval V1.0 (白鴿軟件開發驗收管理系統V1.0)	2017SR451740	Our Company	November 11, 2016	PRC

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<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
32. . .	Baige test results display system for software development V1.0 (白鴿軟件開發測試結果展示系統V1.0)	2017SR451633	Our Company	November 7, 2016	PRC
33. . .	Baige software development quality monitoring platform V1.0 (白鴿軟件開發質量監測平台V1.0)	2017SR451721	Our Company	November 1, 2016	PRC
34. . .	Baige software development and maintenance software V1.0 (白鴿軟件開發維護軟件V1.0)	2017SR447519	Our Company	December 4, 2016	PRC
35. . .	Baige document management system for development needs V1.0 (白鴿軟件開發需求文檔管理系統V1.0)	2017SR448896	Our Company	October 29, 2016	PRC
36. . .	Baige management system for software products development V1.0 (白鴿軟件產品開發管理系統V1.0)	2017SR448891	Our Company	October 22, 2016	PRC
37. . .	Baige information management system for computer software product V1.0 (白鴿計算機軟件產品信息管理系統V1.0)	2017SR447464	Our Company	October 18, 2016	PRC

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<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
38. . .	Insurance brokers information management software V1.0 (保險經紀人信息管理軟件V1.0)	2017SR447454	Our Company	October 12, 2016	PRC
39. . .	Insurance online training platform V1.0 (保險在線培訓平台V1.0)	2017SR447652	Our Company	August 5, 2016	PRC
40. . .	Insurance online real-time trading platform V1.0 (保險在線實時交易平台V1.0)	2017SR447715	Our Company	August 23, 2016	PRC
41. . .	Insurance online claims system V1.0 (保險在線理賠系統V1.0)	2018SR1061341	Our Company	September 30, 2018	PRC
42. . .	Protection model system V1.0 (保障模型系統V1.0)	2018SR1051502	Our Company	October 12, 2018	PRC
43. . .	Insurance policies management system V1.0 (保單管理系統V1.0)	2018SR1049469	Our Company	October 12, 2018	PRC
44. . .	Insurance policies diagnosis system V1.0 (保單診斷系統V1.0)	2018SR1049461	Our Company	October 12, 2018	PRC
45. . .	Baige OA software V1.0 (白鴿OA軟件V1.0)	2019SR1442506	Our Company	June 15, 2018	PRC
46. . .	Shunfengche claims system V1.0 (順風車理賠系統V1.0)	2020SR0410985	Our Company	January 17, 2020	PRC
47. . .	Shunfengche orders system V1.0 (順風車訂單系統V1.0)	2020SR0410988	Our Company	January 17, 2020	PRC

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<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
48. . .	Bid performance and order management system V1.0 (投標履約訂單管理系統V1.0)	2020SR0405623	Our Company	February 24, 2020	PRC
49. . .	Bid performance and insurance take out system V1.0 (投標履約投保系統V1.0)	2020SR0405485	Our Company	February 24, 2020	PRC
50. . .	Bid performance and user management system V1.0 (投標履約用戶管理系統V1.0)	2020SR0411235	Our Company	February 24, 2020	PRC
51. . .	Insurance brokerage agency branch management system V1.0 (保險經紀機構分公司管理系統V1.0)	2021SR1467414	Our Company	May 19, 2021	PRC
52. . .	Cars door-to-door reservation management system V1.0 (汽車預約到店管理系統V1.0)	2021SR1468537	Our Company	August 13, 2021	PRC
53. . .	Cars services reservation service system V1.0 (汽車服務預約服務系統V1.0)	2021SR1468536	Our Company	February 17, 2021	PRC
54. . .	Management system for vouchers distribution of cars services V1.0 (汽車服務卡券發放管理系統V1.0)	2021SR1468547	Our Company	August 18, 2021	PRC



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No.	Copyright Name	Copyright Number	Owner	Issue Date	Place of Registration
55. . .	Insurance brokers teams' management system V1.0 (保險經紀人團隊管理系統V1.0)	2021SR1467458	Our Company	February 26, 2021	PRC
56. . .	ID authentication comprehensive platform software for insurance V1.0 (保險身份認證綜合平台軟件V1.0)	2021SR1467457	Our Company	March 24, 2021	PRC
57. . .	Insurance brokers' business data analysis system V1.0 (保險經紀人展業數據分析系統V1.0)	2021SR1467456	Our Company	August 18, 2021	PRC
58. . .	Vouchers in-store verification and write-off system for cars services V1.0 (汽車服務卡券門店核銷系統V1.0)	2021SR1467189	Our Company	March 5, 2021	PRC
59. . .	Cars services record inquiry system V1.0 (汽車服務記錄查詢系統V1.0)	2021SR1467187	Our Company	April 13, 2021	PRC
60. . .	Customer comprehensive management system V1.0 (客戶綜合管理系統V1.0)	2021SR1467186	Our Company	January 20, 2021	PRC
61. . .	Baige enterprise informatization system for organizational management V1.0 (白鴿企業信息化機構管理系統V1.0)	2022SR1450164	Our Company	Unissued	PRC

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<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
62. . .	Baige enterprise informatization system for finance management V1.0 (白鴿企業信息化財務管理系統V1.0)	2022SR1450163	Our Company	Unissued	PRC
63. . .	Baige enterprise informatization system for contract management V1.0 (白鴿企業信息化協議管理系統V1.0)	2022SR1450162	Our Company	Unissued	PRC
64. . .	Baige enterprise informatization system for business management V1.0 (白鴿企業信息化業務管理系統V1.0)	2022SR1450161	Our Company	Unissued	PRC
65. . .	Baige enterprise informatization system for personnel management V1.0 (白鴿企業信息化人員管理系統V1.0)	2022SR1450165	Our Company	Unissued	PRC
66. . .	Baige gas insurance order management system V1.0 (白鴿燃氣險訂單管理系統V1.0)	2023SR1434135	Our Company	Unissued	PRC
67. . .	Baige gas insurance bulk take out system V1.0 (白鴿燃氣險批量投保系統V1.0)	2023SR1435644	Our Company	Unissued	PRC

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<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
68. . .	Baige informatization system for order management V1.0 (白鴿信息化訂單管理系統 V1.0)	2023SR1429344	Our Company	Unissued	PRC
69. . .	Management system for platforms of car owners' rights V1.0 (車主權益平台管理系統 V1.0)	2023SR1428752	Our Company	Unissued	PRC
70. . .	Cars in-store services management system V1.0 (汽車門店服務管理系統 V1.0)	2023SR1428361	Our Company	Unissued	PRC
71. . .	Baige gas insurance data operation management system V1.0 (白鴿燃氣險數據運營管理系統 V1.0)	2023SR1437970	Our Company	Unissued	PRC
72. . .	Baige informatization system for agency management V1.0 (白鴿中介信息化管理系統 V1.0)	2024SR0068676	Our Company	Unissued	PRC
73. . .	Baige online big data Lakehouse risk management system V1.0 (白鴿在線大數據湖倉一體化風險管理系統 V1.0)	2024SR0066863	Our Company	Unissued	PRC

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<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
74. . .	Baige LeBao – Your exclusive insurance technology platform (for short: Baige LeBao) V1.0 (白 鴿樂保 – 專屬你 的保險科技平台 (簡稱:白鴿樂保 V1.0)	2023SR0146928	Our Company	January 10, 2021	PRC
75. . .	Baige car insurance order management platform V1.0 (白鴿車險訂單管 理平台V1.0)	2023SR0149023	Our Company	Unissued	PRC
76. . .	Baige car insurance user management platform V1.0 (白鴿車險用戶管 理平台V1.0)	2023SR0149022	Our Company	Unissued	PRC
77. . .	Baige car insurance physical stores management platform V1.0 (白鴿車險用戶管 理平台V1.0)	2023SR0149021	Our Company	Unissued	PRC
78. . .	Baige car repair reservation management system V1.0 (白 鴿車輛送修預約 管理系統V1.0)	2023SR0149020	Our Company	Unissued	PRC
79. . .	Baige car insurance quotation management system V1.0 (白 鴿車險報價管理 系統V1.0)	2023SR0149019	Our Company	Unissued	PRC

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<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
80. . .	Baigebao Android smartphone APP software (for short: Baigebao) V1.0.7 (白鴿寶 Android端手機 APP軟件(簡稱: 白鴿寶) V1.0.7)	2017SR233335	Baigebao	July 15, 2015	PRC
81. . .	Baigebao IOS smartphone APP software (for short: Baigebao) V2.1.1 (白鴿寶 IOS端手機APP軟件(簡稱: 白鴿寶) V2.1.1)	2017SR233328	Baigebao	October 15, 2015	PRC
82. . .	Baigebao marketplace shopping navigation system V1.0 (白鴿保商城購物導航系統V1.0)	2017SR722604	Xiamen Baigebao	September 15, 2017	PRC
83. . .	Baigebao client's data management system v1.0 (白鴿保客戶資料管理系統v1.0)	2017SR722361	Xiamen Baigebao	September 16, 2017	PRC
84. . .	Baigebao multichannel customer service online system V1.0 (白鴿保多渠道客服在線系統V1.0)	2017SR722369	Xiamen Baigebao	September 26, 2017	PRC
85. . .	Baigebao sales management software V1.0 (白鴿保銷售管理軟件V1.0)	2017SR732709	Xiamen Baigebao	October 18, 2017	PRC
86. . .	Baigebao e-commerce online trade system V1.0 (白鴿保電子商務在線交易系統V1.0)	2017SR728706	Xiamen Baigebao	October 25, 2017	PRC

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<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
87. . .	Baigebao electronic marketplace client management software V1.0 (白鴿保電子商城客戶端管理軟件V1.0)	2017SR728735	Xiamen Baigebao	October 28, 2017	PRC
88. . .	Baigebao electronic marketplace APP software V1.0 (白鴿保電子商城APP軟件V1.0)	2017SR728726	Xiamen Baigebao	November 5, 2017	PRC
89. . .	Intelligent parenting terminal services management software V1.0 (智能育兒寶寶終端服務管理軟件V1.0)	2020SR0928933	Xiamen Baigebao	February 23, 2018	PRC
90. . .	Internet + parenting information system V1.0 (互聯網+育兒資訊系統V1.0)	2020SR0928703	Xiamen Baigebao	May 24, 2018	PRC
91. . .	Baby care service system software V1.0 (寶寶護理服務系統軟件V1.0)	2020SR0928955	Xiamen Baigebao	September 26, 2018	PRC
92. . .	Information system for the management of parenting training V1.0 (育兒教育培訓管理信息系統V1.0)	2020SR0931751	Xiamen Baigebao	December 10, 2018	PRC
93. . .	Intelligent parenting services management platform V1.0 (智能育兒服務管理平台V1.0)	2020SR0926638	Xiamen Baigebao	February 27, 2019	PRC

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No.	Copyright Name	Copyright Number	Owner	Issue Date	Place of Registration
94. . .	Integrated parenting and health guidance system software V1.0 (一體化育兒健康指導系統軟件 V1.0)	2020SR0930125	Xiamen Baigebao	April 15, 2019	PRC
95. . .	Internet comprehensive online sales system for maternal and infant products V1.0 (互聯網母嬰商品在線綜合銷售系統V1.0)	2020SR0929994	Xiamen Baigebao	June 21, 2019	PRC
96. . .	Multi-parameter collection system for terminal data of children's toy sales V1.0 (多參數兒童玩具銷售終端數據採集系統V1.0)	2020SR0931130	Xiamen Baigebao	July 15, 2019	PRC
97. . .	Monitoring and analytic system for sales data of children's toys and merchandises V1.0 (兒童玩具商品銷售數據監測及分析系統 V1.0)	2020SR1013032	Xiamen Baigebao	August 22, 2019	PRC
98. . .	Comprehensive automatic sales system for maternal and infant products V1.0 (綜合母嬰用品自動化銷售系統V1.0)	2020SR1013024	Xiamen Baigebao	October 28, 2019	PRC

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<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
99.	Digitalized management system for sales of maternal and infant products V1.0 (母嬰用品銷售數字化管理系統V1.0)	2020SR1008205	Xiamen Baigebao	December 16, 2019	PRC
100.	Networked distance parenting system V1.0 (網絡化遠程育兒教育系統V1.0)	2020SR1008212	Xiamen Baigebao	February 17, 2020	PRC
101.	Big data parenting education support management system V1.0 (大數據育兒教育教學支撐管理系統V1.0)	2020SR1013040	Xiamen Baigebao	April 16, 2020	PRC
102.	Baigebao Changxiangchuxing service platform V1.0 (白鴿保暢享出行服務平台V1.0)	2021SR2136723	Xiamen Baigebao	November 2, 2021	PRC
103.	Baigebao Kuaipaozhe service platform V1.0 (白鴿保快跑者服務平台V1.0)	2021SR2202214	Xiamen Baigebao	November 2, 2021	PRC
104.	Baige Shuntu Risk Management System V1.0 (白鴿順途風險管理系統V1.0)	2021SR0751488	Xiamen Baigebao	September 5, 2020	PRC
105.	Weizhijin major illness medical insurance assessment software V1.0 (偉之錦大病醫療保險評估軟件V1.0)	2021SR2191535	Shanghai Weizhijin	September 1, 2021	PRC



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<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
106.	Weizhijin tax calculation software for commission of insurance brokers V1.0 (偉之錦保險經紀人佣金計稅軟件V1.0)	2021SR2191529	Shanghai Weizhijin	September 1, 2021	PRC
107.	Weizhijin risk forecast software for annually paid accident insurance V1.0 (偉之錦年付意外保險風險預測軟件V1.0)	2021SR2196239	Shanghai Weizhijin	October 1, 2021	PRC
108.	Weizhijin claims data monitoring software V1.0 (偉之錦理賠數據監測軟件V1.0)	2021SR2196248	Shanghai Weizhijin	October 1, 2021	PRC
109.	Weizhijin annuity and term life insurance data reference software V1.0 (偉之錦年金定期壽險資料參考軟件V1.0)	2021SR2196103	Shanghai Weizhijin	April 1, 2021	PRC
110.	Weizhijin serious illness insurance assessment software V1.0 (偉之錦重疾險評估軟件V1.0)	2021SR2193948	Shanghai Weizhijin	April 1, 2021	PRC
111.	Weizhijin intelligent marketing software V1.0 (偉之錦智能營銷軟件V1.0)	2021SR2193952	Shanghai Weizhijin	October 1, 2021	PRC

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<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
112. . .	Weizhijin online authentication management software for users of insurance marketplace (偉之錦保險商城用戶線上認證管理軟件V1.0)	2021SR2191487	Shanghai Weizhijin	October 1, 2021	PRC
113. . .	Weizhijin sales management software for long-term caring insurance V1.0 (偉之錦長期護理保險銷售管理軟件V1.0)	2021SR2191312	Shanghai Weizhijin	September 1, 2021	PRC
114. . .	Weizhijin insurance broker authentication software V1.0 (偉之錦保險經紀人認證軟件V1.0)	2021SR2191306	Shanghai Weizhijin	April 1, 2021	PRC
115. . .	Weizhijin car insurance risk management service software V1.0 (偉之錦車險風控服務軟件V1.0)	2021SR2191532	Shanghai Weizhijin	November 3, 2021	PRC
116. . .	Weizhijin non-car property insurance risk control assessment system V1.0 (偉之錦財險非車險風控評估軟件V1.0)	2021SR2191533	Shanghai Weizhijin	September 1, 2021	PRC

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<b>No.</b>	<b>Copyright Name</b>	<b>Copyright Number</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Place of Registration</b>
117. . .	Weizhijin take out system for the specific illness insurance of pulmonary nodule v1.0 (偉之錦肺結節專病保險投保系統v1.0)	2023SR0183470	Shanghai Weizhijin	Unissued	PRC
118. . .	Weizhijin take out system for employer's liability insurance v1.0 (偉之錦僱主責任險投保系統v1.0)	2023SR0183471	Shanghai Weizhijin	Unissued	PRC
119. . .	Weizhijin marketing traffic deployment system v1.0 (偉之錦營銷流量投放系統v1.0)	2023SR0183469	Shanghai Weizhijin	Unissued	PRC
120. . .	Weizhijin insurance scenario digital RMB payment platform v1.0 (偉之錦保險場景數字人民幣支付平台v1.0)	2023SR0183468	Shanghai Weizhijin	Unissued	PRC
121. . .	Weizhijin car aftermarket service system v1.0 (偉之錦車後服務系統v1.0)	2023SR0183467	Shanghai Weizhijin	Unissued	PRC
122. . .	Baige Luoke Park risk management system V1.0 (白鴿洛克公園風險管理系統V1.0)	2021SR0751411	Xiamen Bafang Tongchuang	December 10, 2020	PRC
123. . .	Baigebao Electronic Letter of Guarantee Platform Software V1.0 (白鴿寶電子保函平台軟件V1.0)	2021SR0951155	Baigebao	Unissued	PRC

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We have also registered certain other copyrights in respect of systems and softwares which we developed for our clients and may be material to the service we provided to them.

*Domain Names*

As of the Latest Practicable Date, we have registered the following internet domain names which we consider to be or may be material to our business:

<u>No.</u>	<u>Domain Name</u>	<u>Owner</u>	<u>Registration Date</u>	<u>Expiration Date</u>
1. . . .	baige35.com	Our Company	February 24, 2017	February 24, 2026
2. . . .	baigeefs.com	Our Company	July 17, 2016	July 17, 2025
3. . . .	baigebaoxian.com	Our Company	March 17, 2015	March 17, 2027
4. . . .	baigebaoxian.cn	Our Company	March 17, 2015	March 17, 2027
5. . . .	baigebaotest.com	Our Company	December 29, 2015	December 29, 2025
6. . . .	baigebaodev.com	Our Company	December 29, 2015	December 29, 2025
7. . . .	baigebao.com	Baigebao	March 17, 2015	March 17, 2027
8. . . .	baigebao.cn	Baigebao	March 17, 2015	March 17, 2025
9. . . .	baotonggzdbh.com	Baigebao	December 5, 2023	December 5, 2026
10. . .	flyins.com.cn	Baigebao	March 24, 2023	March 24, 2027
11. . .	property-cpic.com.cn	Baigebao	April 21, 2022	April 21, 2025
12. . .	jinbaoao.com.cn	Baigebao	August 10, 2017	August 10, 2028
13. . .	ruilubao.com.cn	Baigebao	January 18, 2021	January 18, 2026
14. . .	baigebaoins.com	Baigebao	February 27, 2017	February 27, 2026
15. . .	lvxingbao.cn	Baigebao	June 28, 2021	June 28, 2025
16. . .	baigeinsurance.com	Baigebao	February 27, 2017	February 27, 2026
17. . .	baigeins.com	Baigebao	February 27, 2017	February 27, 2026
18. . .	baigeinsurance.cn	Baigebao	February 27, 2017	February 27, 2026
19. . .	baigeins.cn	Baigebao	February 27, 2017	February 27, 2026
20. . .	baigeshenghuo.com	Baigebao	February 24, 2017	February 24, 2026
21. . .	baigebai.com	Baigebao	September 28, 2015	September 28, 2025

**APPENDIX VI STATUTORY AND GENERAL INFORMATION**

<b>No.</b>	<b>Domain Name</b>	<b>Owner</b>	<b>Registration Date</b>	<b>Expiration Date</b>
22. . .	gongzhongtoubao.com	Baigebao	October 10, 2015	October 10, 2025
23. . .	baigejinfu.cn	Baigebao	May 11, 2016	May 11, 2025
24. . .	baigeqb.com	Baigebao	May 11, 2016	May 11, 2025
25. . .	baigeqianbao.com	Baigebao	May 11, 2016	May 11, 2025
26. . .	bgb520.com	Baigebao	May 12, 2016	May 12, 2025
27. . .	旅行保.cn	Baigebao	January 17, 2024	January 17, 2026
28. . .	baigebao1.com	Baigebao Siming branch	May 23, 2018	May 23, 2025
29. . .	bftongchuang.com	Xiamen Bafang Tongchuang	June 18, 2024	June 18, 2027
30. . .	bgboa.com	Xiamen Baigebao	August 7, 2024	August 7, 2025
31. . .	bgb35.com	Xiamen Baigebao	May 12, 2016	May 12, 2025
32. . .	baigeshop.com	Shanghai Weizhijin	November 30, 2021	November 30, 2025
33. . .	bgweizhijin.com	Shanghai Weizhijin	August 26, 2024	August 26, 2025

Save as the above, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

**FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS**

**1. Disclosure of Interests**

Save as disclosed below, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), so far as our Directors are aware, none of our Directors, Supervisors or chief executive has any interests or short positions in our Shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

**APPENDIX VI STATUTORY AND GENERAL INFORMATION**

*Interests of our Directors in the Shares of our Company*

Name of Director or chief executive	Nature of Interest	As of the Latest Practicable Date			Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)		
		Class of Shares	Number of Shares <sup>(1)</sup>	Approximate percentage of shareholding in total issued share capital of our Company	Class of Shares	Number of Shares <sup>(1)(2)</sup>	Approximate percentage of shareholding in the total share capital of our Company <sup>(3)</sup>
Mr. Tu <sup>(4)</sup> . . . .	Interest of concert parties	[REDACTED] Shares	32,409,700	45.13%	[REDACTED] Shares	[REDACTED]	[REDACTED]%
	Interest in controlled corporation	[REDACTED] Shares	7,505,574	10.45%	[REDACTED] Shares	[REDACTED]	[REDACTED]%
	Beneficial interest	[REDACTED] Shares	95,248	0.13%	H Shares	[REDACTED]	[REDACTED]%
Mr. Zeng <sup>(4)</sup> . . . .	Interest of concert parties	[REDACTED] Shares	40,010,522	55.71%	[REDACTED] Shares	[REDACTED]	[REDACTED]%
Mr. Shi <sup>(5)</sup> . . . .	Beneficial interest	[REDACTED] Shares	153,139	0.21%	H Shares	[REDACTED]	[REDACTED]%
Mr. Wang Qianwei (王前偉) <sup>(6)</sup> . . . .	Interest in controlled corporation	[REDACTED] Shares	2,663,200	3.71%	H Shares	[REDACTED]	[REDACTED]%

- (1) All interests stated are long positions.
- (2) The number of Shares is presented based on the assumption that the Share Subdivision is completed.
- (3) The calculation is based on the total number of [REDACTED] Shares in issue, [REDACTED] H Shares to be converted from [REDACTED] Shares in issue and [REDACTED] H Shares to be issued pursuant to the [REDACTED] (assuming that the [REDACTED] is not exercised).
- (4) Fujian Helihomei is owned as to approximately 58.90% by Mr. Tu, 20.55% by Xiamen Zhongjiaxiu (which is in turn owned as to 80% by Mr. Su Weida (蘇偉達) and 20% by Mr. Huang Jia'en (黃嘉恩)) and 20.55% by Mr. Zeng. Baige Tongchuang is held as to 99.9% by Fujian Helihomei and 0.1% by Mr. Tu with Mr. Tu as its executive partner. As Mr. Tu, Xiamen Zhongjiaxiu, Mr. Su Weida, Mr. Huang Jia'en, Mr. Zeng and Baige Tongchuang have been acting in concert since November 9, 2023, upon completion of the Share Subdivision, the Conversion of [REDACTED] Shares into H Shares and the [REDACTED], each of Mr. Tu, Xiamen Zhongjiaxiu, Mr. Su Weida, Mr. Huang Jia'en, Mr. Zeng and Baige Tongchuang is deemed to be interested in a total of [REDACTED] Shares and [REDACTED] H Shares comprising (a) [REDACTED] Shares held by Fujian Helihomei; (b) [REDACTED] Shares and [REDACTED] H Shares held by Baige Tongchuang; and (c) [REDACTED] H Shares (converted from [REDACTED] Shares upon completion of the Share Subdivision) granted to Mr. Tu pursuant to the Equity Incentive Scheme by virtue of the SFO.
- (5) Such Shares have been granted to Mr. Shi pursuant to the Equity Incentive Scheme.
- (6) Mr. Wang Qianwei (王前偉), one of our non-executive Directors, wholly owns Xiamen Huicheng, one of our Pre-[REDACTED] Investors, which held 2,663,200 Shares as of the Latest Practicable Date. For details, please refer to “History — Pre-[REDACTED] Investments” in this document.

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## STATUTORY AND GENERAL INFORMATION

### 2. Substantial Shareholders

For the information on the persons who will, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see the section headed “Substantial Shareholders” in this document.

Save as disclosed in the section headed “Substantial Shareholders” in this document, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have or be deemed to have the beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

### 3. Service Contracts and Letters of Appointment

We have entered into a contract with each of our Directors and Supervisors in respect of, among other things, compliance with the relevant laws and regulations and the observance of the Articles of Association.

Each of our executive Directors and non-executive Directors [has entered] into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term of three years which is equivalent to the term of the Board; and (b) termination provisions in accordance with their respective terms. The service contracts can be renewed pursuant to our Articles of Association and applicable rules.

Each of our independent non-executive Directors [has entered] into a letter of appointment with our Company, which includes, amongst others, (a) a term of three years commencing from the [REDACTED]; and (b) termination provisions in accordance with their respective terms.

Each of our Supervisors [has entered] into a contract with our Company. Each contract contains provisions relating to compliance with relevant laws and regulations and observation of our Articles of Association.

Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors or Supervisors in their respective capacities as Directors or Supervisors (other than contracts expiring or determinable by the employer within one year without any payment of compensation (other than statutory compensation)).

## APPENDIX VI

## STATUTORY AND GENERAL INFORMATION

### 4. Director’s and Supervisors’ Remuneration

Save as disclosed in “Directors, Supervisors and Senior Management” and “Accountant’s Report — Notes to the Historical Financial Information — 14. Employee Benefits Expenses” in Appendix I for the two financial years ended December 31, 2022 and 2023 and the nine months ended September 30, 2024, none of our Directors or Supervisors received other remunerations of benefits in kind from us.

### 5. Equity Incentive Scheme

To attract and retain talents and to provide incentives to our employees for long-term development of our Company, our Company adopted the Equity Incentive Scheme with Yujin Tongxing as the equity incentive platform. For details of the equity incentive platform, see “History, Development and Corporate Structure — Our Group Companies — Our Company — Establishment of Yujin Tongxing” and “History, Development and Corporate Structure — Equity Incentive Platform.”

The Equity Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of share options or awards by our Company or any issuance of new Shares by our Company after the [REDACTED]. Given the underlying Shares under the Equity Incentive Scheme have already been issued, there will not be any dilution effect to the issued Shares as a result of the operation of the Equity Incentive Scheme. The principal terms of the Equity Incentive Scheme are summarized as follows:

#### (a) Administration

The general partner of our equity incentive platform, namely, Yujin Tongxing, is Ms. Fan Chunhua, an employee of our Group, who is entitled to manage affairs concerning the equity incentive platform as the general partner.

#### (b) Shares under the Equity Incentive Scheme

As of the Latest Practicable Date, Yujin Tongxing held 1,893,926 Shares, representing approximately 2.64% of the share capital of our Company. Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Yujin Tongxing will be interested in approximately [REDACTED] of the total issued share capital of our Company.

#### (c) Equity Incentive Platform

Yujin Tongxing is a limited partnership established on December 19, 2024 as our equity incentive platform. Incentives are granted to eligible participants under the Equity Incentive Scheme (the “**Participants**”) in the form of partnership interests in the equity incentive platform. The general partner and executive partner of Yujin Tongxing is Ms. Fanchuan (范春華), an employee of our Group, who holds 11.78% partnership interests in Yujin Tongxing. The remaining 88.22% partnership interests in Yujin Tongxing are held by 29 limited partners, who



## APPENDIX VI

## STATUTORY AND GENERAL INFORMATION

are primarily current employees of the Group, among whom, Mr. Tu and Mr. Shi, each being an Executive Director, holds approximately 5.03% and 8.09% partnership interests in Yujin Tongxing, respectively. Mr. Zheng Weixin (鄭煒昕) and Ms. Yu Jianrong (于建榕), each being a Supervisor, holds approximately 3.15% and 4.98% partnership interests in Yujin Tongxing, respectively. None of the limited partners of Yujin Tongxing holds more than one third of the partnership interests in Yujin Tongxing. None of the H Shares held by Yujin Tongxing is counted towards the public float of our Company.

### *(d) Voting Rights*

Ms. Fanchuan (范春華), as the general partner and executive partner of Yujin Tongxing, is entitled to exercise the voting rights attached to the Shares held by Yujin Tongxing on behalf of Yujin Tongxing.

### *(e) Lock-up and Transferability of Partnership Interests*

The partnership interests held by the Participants in Yunjin Tongxing, which represent the awards granted to the Participants under the Equity Incentive Scheme, are subject to lock-up and transferability restrictions. The Participants shall comply with the terms and conditions of the Equity Incentive Scheme and the applicable rules, laws and regulations with respect to lock-up and transferability restrictions. During the lock-up period, the partnership interests granted to the Participant may be transferred in the event of, including but not limited to, (i) death of the Participant, (ii) retirement of the Participant, and (iii) termination of the Participant’s employment relationship with the Group.

## 6. Disclaimers

Save as disclosed in this document:

- (a) none of our Directors, Supervisors or any of the parties listed in “Qualification of Experts” of this section is:
  - (i) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this document, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company or any member of our Group;
  - (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;
- (b) save in connection with the [REDACTED] and the [REDACTED], none of the parties listed in “Qualification of Experts” of this Appendix:
  - (i) is interested legally or beneficially in any shares in any member of our Group;  
or

## APPENDIX VI

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- (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;
- (c) none of our Directors or Supervisors or their close associates or any shareholders of our Company who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our top five customers or suppliers in each year of the Track Record Period; and
- (d) none of our Directors or Supervisors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

### OTHER INFORMATION

#### Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to be imposed on our Company or any of our subsidiaries.

#### Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration, administrative proceedings or claims of material importance, and, so far as we are aware, no litigation, arbitration, administrative proceedings or claims of material importance are pending or threatened against any member of our Group.

#### Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Stock Exchange for the [REDACTED] of, and the permission to [REDACTED], the H Shares of the Company, including any additional [REDACTED] which may be issued pursuant to the exercise of the [REDACTED]. All necessary arrangements have been made enabling the H Shares to be admitted into [REDACTED].

BOCI Asia Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. CMBC International Capital Limited does not satisfy the independence criteria applicable to sponsors under Rule 3A.07 of the Listing Rules given that a director of the indirect holding company of CMBC International Capital Limited is a Shareholder of the Company.

The fees payable to the Joint Sponsor in respect of their services as sponsors for the [REDACTED] are approximately RMB4.0 million in aggregate and are payable by us.

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## APPENDIX VI STATUTORY AND GENERAL INFORMATION

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### Preliminary Expenses

Our Company did not incur any material preliminary expenses in relation to the incorporation of our Company.

### Qualification of Experts

The qualifications of the experts who have given opinions or advice in this document are as follows:

<u>Name</u>	<u>Qualification</u>
CMBC International Capital Limited . . . . .	Licensed corporation under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
BOCI Asia Limited . . . . .	Licensed corporation under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
RSM Hong Kong . . . . .	Certified Public Accountants under Professional Accountant Ordinance (Cap. 50) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588)
Zhong Lun Law Firm . . . . .	Legal advisor to our Company as PRC laws
China Insights Industry Consultancy Limited . . . . .	Independent industry consultant

### Consents of Experts

Each of the experts referred to in “Qualification of Experts” in this Appendix has given and has not withdrawn its respective written consents to the issue of this document with the inclusion of certificates, letters, opinions or reports and the references to its names included herein in the form and context in which it is respectively included.

None of the experts named above has any of our shareholding interests or rights (whether legally enforceable or not) or any of our members to subscribe for or to nominate persons to subscribe for our securities or any of our member.

### Compliance Advisor

We have appointed CMBC International Capital Limited as our Compliance Advisor upon the [REDACTED] in compliance with Rule 3A.19 of the Hong Kong Listing Rules.

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## STATUTORY AND GENERAL INFORMATION

### Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is HK\$1.00 for every HK\$1,000 (or part thereof) of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see “Appendix V — Taxation and Foreign Exchange — B. Hong Kong Taxation” to this document.

### No Material Adverse Change

Our Directors confirm that, as of the Latest Practicable Date, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since September 30, 2024, the end of the period reported on the Accountant’s Report included in Appendix I to this document.

### Binding Effect

This document shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

### Miscellaneous

Save as disclosed in this document:

- (a) within the two years preceding the date of this document: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares or loan capital of our Company or any of our subsidiaries;
- (b) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) there are no arrangements under which future dividends are waived or agreed to be waived;
- (e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

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## APPENDIX VI STATUTORY AND GENERAL INFORMATION

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- (f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months preceding the date of this document;
- (h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (i) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought;
- (j) there is no outstanding convertible debt securities or debentures of our Company or any of our subsidiaries;
- (k) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (l) our Company has adopted a code of conduct regarding Directors’ and Supervisors’ securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

### **Restrictions on Share Repurchases**

For details, see “Appendix IV — Summary of Principal Laws and Regulations” and “Appendix V — Summary of Articles of Association” to this document.

### **Bilingual Document**

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

**APPENDIX VI STATUTORY AND GENERAL INFORMATION**

**Promoters**

The promoters of our Company are:

<b>No.</b>	<b>Name</b>
1. . . .	Fujian Helihemei
2. . . .	Xiamen Fuguohao Financial Management Co., Ltd. (廈門富國豪財務管理有限公司)
3. . . .	Baige Tongchuang
4. . . .	Xiamen Huicheng Leading Technology Investment Co., Ltd. (廈門匯誠領躍科技有限公司)
5. . . .	New Hope Investment Group Co., Ltd. (新希望投資集團有限公司)
6. . . .	Xiamen Meitong Luqi Equity Investment Partnership (Limited Partnership) (廈門市美桐陸期股權投資合夥企業(有限合夥))
7. . . .	Gerui (Xiamen) Enterprise Management Co., Ltd. (格納(廈門)企業管理有限公司)
8. . . .	Jiaxing Mianmiao Equity Investment Partnership (Limited Partnership) (嘉興緬邈股權投資合夥企業(有限合夥))
9. . . .	Mr. Lin Baojie (林報捷)

Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the [REDACTED] or the related transactions described in this document.

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**APPENDIX VII                      DOCUMENTS DELIVERED TO THE REGISTRAR  
OF COMPANIES AND DOCUMENTS ON DISPLAY**

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**DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Statutory and General Information — Other Information — Consents of Experts” in Appendix VI to this document; and
- (b) a copy of each of the material contracts referred to in “Statutory and General Information — Further Information about our Business — Summary of Material Contracts” in Appendix VI to this document.

**DOCUMENTS AVAILABLE ON DISPLAY**

Copies of the following documents will be available on display on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at [www.baigebao.com](http://www.baigebao.com) during a period of 14 days from the date of this document:

- 1. the Articles of Association;
- 2. the Accountant’s Report from RSM Hong Kong, the text of which is set forth in Appendix I to this document;
- 3. the audited consolidated financial statements of our Group for the years ended December 31, 2022 and 2023 and nine months ended September 30, 2024;
- 4. the report from RSM Hong Kong on the unaudited [REDACTED] financial information of our Group, the text of which is set forth in Appendix II to this document;
- 5. the material contracts referred to in “Statutory and General Information — Further Information about our Business — Summary of Material Contracts” in Appendix VI to this document;
- 6. the written consents referred to in “Statutory and General Information — Other Information — Consents of Experts” in Appendix VI to this document;
- 7. the service contracts and letters of appointment referred to in “Statutory and General Information — Further Information about our Directors, Supervisors, Senior Management and Substantial Shareholders — 3. Service Contracts and Letters of Appointment” in Appendix VI to this document;

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**APPENDIX VII                      DOCUMENTS DELIVERED TO THE REGISTRAR  
OF COMPANIES AND DOCUMENTS ON DISPLAY**

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8. the legal opinion issued by Zhong Lun Law Firm, our PRC Legal Advisor, in respect of, among other things, the general matters and property interests of our Group under PRC law;
9. the industry report issued by China Insights Industry Consultancy Limited, the summary of which is set forth in the section headed “Industry Overview” in this document; and
10. a copy of the following PRC laws, together with unofficial English translations:
  - (i) the PRC Company Law;
  - (ii) the PRC Securities Law; and
  - (iii) the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies.