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Bairong Inc.
百融雲創

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)
(Stock Code: 6608)

**UNAUDITED OPERATION SUMMARY
FOR THE FIRST QUARTER OF 2023, RESIGNATION OF
EXECUTIVE DIRECTOR AND CHANGE OF CHIEF FINANCIAL OFFICER**

The board (“**Board**”) of directors (“**Directors**”) of Bairong Inc. (the “**Company**”, and together with its subsidiaries and consolidated affiliated entities, the “**Group**”) hereby announces (i) the unaudited operation summary of the Group for the first quarter of 2023 (the “**2023Q1 Summary**”); (ii) details regarding the resignation of Mr. Zhao Hongqiang (趙宏強) (“**Mr. Zhao**”) as an executive Director and the chief financial officer of the Company; and (iii) details regarding the appointment of Mr. Zheng Wei (鄭威) (“**Mr. Zheng**”) as the acting chief financial officer of the Company.

UNAUDITED OPERATION SUMMARY FOR THE FIRST QUARTER OF 2023

The announcement of the 2023Q1 Summary is made in accordance with the requirements of Rule 13.09(2)(a) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Revenue Summary

	Three months ended March 31,		
	2023	2022	Change (%)
	<i>(RMB in thousands, except %)</i>		
	<i>(unaudited)</i>	<i>(unaudited)</i>	
Revenue	565,857	450,890	25
Smart analytics and operation services	281,126	198,910	41
Precision marketing services	138,052	93,144	48
Insurance distribution services	146,679	158,836	-8

Operating Summary for Smart Analytics and Operation Services

	Three months ended March 31,		Change (%)
	2023 <i>(unaudited)</i>	2022 <i>(unaudited)</i>	
Number of Key FSP clients ⁽¹⁾	105	94	12
Average revenue per Key FSP client <i>(RMB in thousands)</i>	2,056	1,667	23
Retention rate of Key FSP clients	93%	93%	0 pct

Performance Review

For the three months ended March 31, 2023, the revenue of smart analytics and operation services reached RMB281 million, representing a year-on-year growth of 41%. The growth was primarily driven by a 12% increase in the number of Key FSP clients and a 23% increase in the average revenue per Key FSP client.

Smart operation business continued a robust growth, rising approximately 68% as compared to the same period of last year. Benefiting from the advantages of artificial intelligence (“AI”), this business line offers its self-developed smart AI-powered chatbot (Chatbot) and algorithm-driven smart marketing platform to help banks and other financial institutions complete jobs such as credit card users revitalization, wealth management marketing and users relationship management, effectively enhancing service accuracy and operational efficiency of financial institutions. Chatbot technology is built on the Transformer architecture algorithm model and integrates natural language processing (NLP), automatic speech recognition (ASR), text-to-speech (TTS), voice activity detection (VAD) and some quasi-generative pre-trained transformer (GPT) technologies, which can be applied to financial vertical scenarios to accurately recognize human language, provide millisecond-level voice interaction and multi-turn feedback with extremely high accuracy for automatic speech recognition, and is capable of operating tens of millions of users and handling sizable automatic interactions per day. This technology is combined with the Company’s years of experience in working with financial institutions and the human-machine collaboration, enabling quick adaptation to serve various financial institutions customers.

Note:

1. Key Financial Service Provider clients (Key FSP clients) are defined as licenced financial institutions that each contribute more than RMB300,000 total revenue in a given year.

Cautionary Statement

Shareholders of the Company and potential investors are reminded that this summary is based on the Group’s internal figures and management accounts which have not been audited or reviewed by our external auditors. Shareholders of the Company and potential investors should therefore exercise caution when dealing in the shares of the Company.

Certain statements in this announcement are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events, or performance (often, but not always, through the use of words or phrases such as ‘will’, ‘expect’, ‘anticipate’, ‘estimate’, ‘believe’, ‘going forward’, ‘ought to’, ‘may’, ‘seek’, ‘should’, ‘intend’, ‘plan’, ‘projection’, ‘could’, ‘vision’, ‘goals’, ‘aim’, ‘aspire’, ‘objective’, ‘target’, ‘schedules’, and ‘outlook’) are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks, uncertainties and other factors some of which are beyond our Company’s control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statements. No statement in this announcement is intended to be a profit forecast or to imply that the earnings of the Group as at the date of this announcement or in future will necessarily match or exceed the historical or published earnings of the Group. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of, or references to, our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

RESIGNATION OF EXECUTIVE DIRECTOR AND CHANGE OF CHIEF FINANCIAL OFFICER

The Board hereby announces that Mr. Zhao has tendered his resignation as an executive Director and the chief financial officer of the Company with effect from May 25, 2023, due to his desire to devote more time to his other commitments. Mr. Zhao has confirmed that he has no disagreement with the Board and there is no other matter in respect of his resignation that needs to be brought to the attention of the shareholders of the Company or the Stock Exchange.

The Board would like to take this opportunity to express its gratitude and appreciation to Mr. Zhao for his invaluable contribution to the Company during his tenure of office.

The Board is pleased to announce that Mr. Zheng has been appointed as the acting chief financial officer of the Company with effect from May 25, 2023.

Mr. Zheng, aged 49, joined the Company in April 2016 as senior vice president. He has over twenty years of experience in the field of finance and investment, and has extensive experience in front, middle and back office management under different forms of ownership. Prior to joining the Company, Mr. Zheng worked as senior finance consultant at Hillhouse from September 2015 to March 2016. He also worked as investment manager at Warburg Pincus from June to August of 2015, as vice president and chief financial officer at Datong Insurance from August 2011 to April 2015, as board secretary at Minsheng Life Insurance from August 2007 to August 2011, and as assistant vice president at Metlife Insurance from December 2004 to August 2007. Mr. Zheng received his Bachelor of Engineering in Industrial Automation from Zhejiang University in July 1995 and his Master of Business Administration in Finance from McMaster University in July 2001.

The Board would like to express its warmest welcome to Mr. Zheng on his appointment.

By order of the Board
Bairong Inc.
Zhang Shaofeng
Chairman

Hong Kong, May 25, 2023

As at the date of this announcement, the Board comprises Mr. Zhang Shaofeng and Ms. Zhao Jing as executive Directors, Mr. Bai Linsen and Mr. Ou Wenzhi as non-executive Directors, and Professor Chen Zhiwu, Mr. Zhou Hao, Professor Guo Yike and Dr. Li Yao as independent non-executive Directors.