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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Bairong Inc. (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) is pleased to announce the annual audited consolidated results of the Group for the year ended December 31, 2024 (the “**Reporting Period**”), together with the comparative figures for the corresponding year in 2023. The annual results have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

In this announcement, “we”, “us”, “our” and “Bairong” refer to the Company and, where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to single digits or two decimal places. Any discrepancies in any table or elsewhere between totals and sums of amounts listed therein are due to rounding.

HIGHLIGHTS

Financial Summary

	Year ended December 31,		
	2024	2023	Change
	<i>(RMB in thousands, except percentages)</i>		
Revenue	2,929,267	2,680,915	9%
Model as a service (“ MaaS ”)	932,473	891,248	5%
Business as a service (“ BaaS ”)	1,996,794	1,789,667	12%
BaaS – Financial Scenario	1,410,695	1,184,728	19%
BaaS – Insurance Scenario	586,099	604,939	(3%)
Gross profit	2,141,712	1,954,532	10%
Gross profit margin	73%	73%	–
Operating profit	285,234	346,886	(18%)
Operating profit margin	10%	13%	(3pct)
Profit for the year	266,029	335,259	(21%)
Net profit margin	9%	13%	(4pct)
<i>Non-IFRS measures</i> ^(Note)			
Non-IFRS profit for the year	376,051	375,064	–
Non-IFRS profit margin	13%	14%	(1pct)
Non-IFRS EBITDA	486,176	463,782	5%
Non-IFRS EBITDA margin	17%	17%	–

Note: See the section headed “Non-IFRS Measures” for more information about the non-IFRS measures.

In 2024, despite challenges such as macroeconomic fluctuations and intensifying competition in the AI industry, the Company leveraged its strong foundation in AI R&D, application, and commercialization to achieve steady growth and maintained sustained profitability. For the year ended December 31, 2024, our revenue reached RMB2,929.27 million, representing a year-over-year increase of 9% from RMB2,680.92 million for the year ended December 31, 2023. During the Reporting Period, our non-IFRS profit for the period was RMB376.05 million and non-IFRS profit margin of 13%.

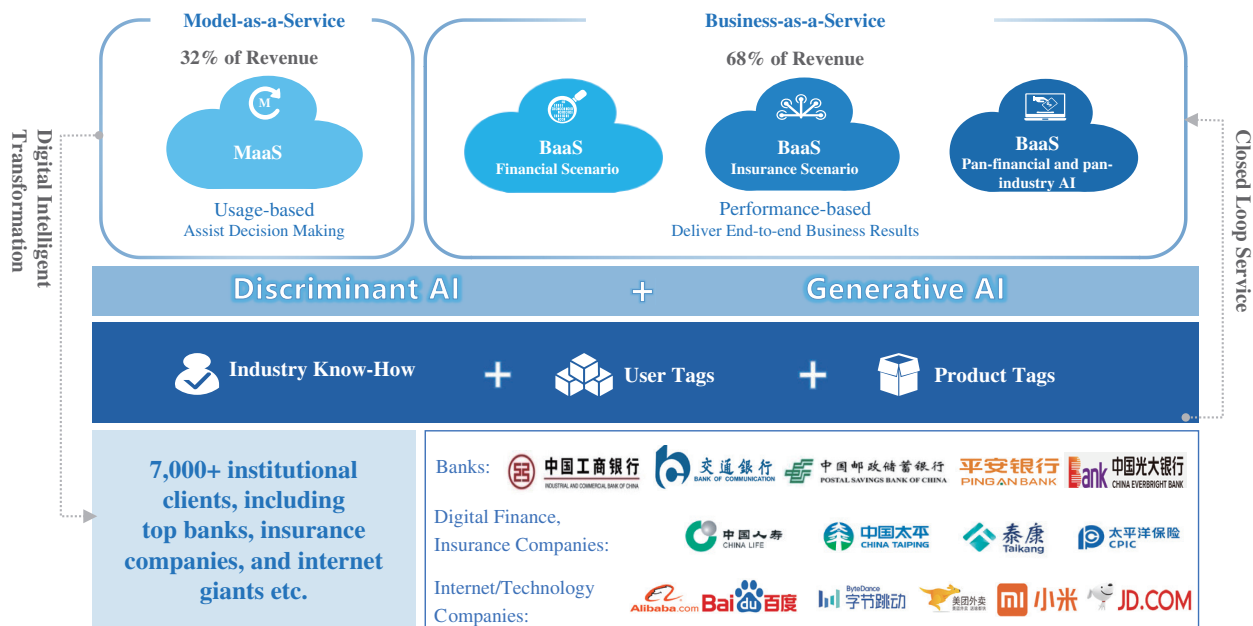
Operations Highlights

In 2024, our intelligent voice product VoiceGPT made significant progress in both technology and application. We established top-tier infrastructure with all technologies fully self-developed, effectively reducing costs. VoiceGPT excels in its application, supporting multiple dialects and enabling emotionally expressive AI voice interaction. It can also recognize user emotions, enhancing engagement across various scenarios. Additionally, we plan to expand VoiceGPT's applications within the broader financial sector, focusing on targeted model training and rapid deployment. During the year, we successfully launched CybotStar, an enterprise-level intelligent platform designed to enhance the practical application of large models in customer business applications. CybotStar supports both internal (EX) and customer-facing (CX) scenarios. In internal applications, the platform enhances internal operational efficiency with intelligent tools for customer service training, customer due diligence, legal compliance, consumer protection, personnel management, and contract management. In customer-facing scenarios, CybotStar optimizes customer experience and strengthens customer interaction through automated customer service, automated marketing, payment reminders, customer follow-ups, customer care, and self-service. We have integrated large models including DeepSeek into the CybotStar platform, further enhancing its ability to handle planning and reasoning tasks. In 2024, we successfully identified and expanded multiple high-value application scenarios for digital humans, including recruitment solutions, medical diagnosis assistance, and adolescent psychological counselling, accelerating their commercialization and real-world implementation.

BUSINESS REVIEW

Operation Review

We are a consistently profitable cloud-based AI service provider that has served over 7,000 institutional clients in China enabling intelligent decision-making, intelligent marketing and intelligent operations. Our client base includes but is not limited to, most of the state-owned banks, 12 joint-stock banks, over a thousand regional banks, as well as major consumer finance companies, insurance companies, wealth management companies, and numerous internet tech companies. By leveraging Generative AI and Discriminant AI, big data, machine learning, and cloud computing, we deliver cutting-edge models and proprietary AI VoiceGPT services. Our comprehensive product and solution suite spans the entire industry service chain, covering intelligent user acquisition, intelligent risk control analytics, intelligent decision-making, intelligent asset operations, intelligent user relationship management, intelligent credit card revitalization of existing users, and intelligent wealth management marketing. We prioritize AI application development over infrastructure construction, ensuring successful monetization of our AI-generated content (“AIGC”) applications. With years of AI expertise, deep understanding of industry verticals, and a pragmatic, results-driven approach, in 2024, we maintained stable revenue growth and sustained profitability.



As a leader in facilitating the digital and intelligent transformation of Chinese institutions, we continue to benefit from the rapid development of the digital economy and AI industry. In January 2024, the National Data Administration and other departments released the “Data Element Multiplier Three-Year Action Plan (2024-2026)” (《“数据要素×”三年行动计划(2024 – 2026年)》). The plan aims to create over 300 typical application scenarios by the end of 2026, establish a relatively complete data industry ecosystem, and ensure an average annual growth rate of over 20% for the data industry. In June, the Ministry of Industry and Information Technology issued the “Comprehensive Standardization System Construction Guide for the National Artificial Intelligence Industry (2024 Edition)” (《国家人工智能产业综合标准化体系建设指南(2024版)》), aiming to formulate over 50 new national and industry standards by 2026 ensuring high-quality AI development. According to the latest report from Bloomberg Intelligence, the global Generative AI market (in terms of revenue) is expected to expand to USD1.3 trillion by 2032, a significant increase from USD40 billion in 2022 with a compound annual growth rate of 42% over the decade.

Under the leadership of our chief executive officer, Mr. Zhang Shaofeng, a tech-savvy Tsinghua University alumnus, we prioritize technology as our key competitive advantage. Based on the deep learning Transformer framework, we have developed an advanced automated machine learning modeling platform that leverages deep neural networks and attention mechanisms. This platform integrates diversified AI technologies algorithms, including the AIGC, Discriminant AI and AI intelligent interaction technologies, to create AI application products targeting vertical industry scenarios. Our MaaS (Model as a Service) business integrates the cloud-native platform with the large language model, enabling its easy deployment across diverse business scenarios, ultra-fast query responses with a real-time feedback loop for institutional clients. Meanwhile, our BaaS (Business as a Service) model applies the AI VoiceGPT, built on Generative AI to intelligent interaction scenarios, which can provide capabilities of natural-language understanding, multiple rounds of dialogue, language processing, and text generation, covering listening, speaking, reading and writing capabilities. These are widely used in new user marketing, dormant user reactivation, and intelligent operation. As of December 31, 2024, the Company has obtained 319 patents and software copyrights, spanning key areas of artificial intelligence, machine learning, privacy computing, human-machine collaboration, multimodal AI, etc.

MaaS (Model as a Service)

MaaS: Standardized Modeling and Solutions to Support Digitalized Automatic Decisions



Our MaaS (Model as a Service) business empowers institutional clients with AI-driven intelligent decision-making by delivering models and evaluation results that enhance both user profiling and product-user matching efficiency. The core advantage of our MaaS business lies in more than 10 years of accumulated user profile assets and a strong competitive moat, built by serving more than 7,000 clients. Leveraging Discriminant AI technology, we provide evaluation products such as anti-fraud evaluation, financing intention evaluation, marketing objective evaluation, and qualification verification. These modules are efficiently delivered to financial service providers through our highly efficient MaaS cloud platform’s API interface, allowing clients to query based on their specific needs. Our self-built MaaS cloud platform is secure and reliable, serving over 300 million daily queries with a system reliability rate of up to 99.999%. Our MaaS business model operates on a service fee or annual subscription depending on query volumes. As usage scales, cost is rapidly diluted, ensuring a steady revenue stream and making the business consistently profitable.

In 2024, our MaaS business has experienced a gradual recovery. Especially in the second half of the year, our revenue achieved significant growth compared with both same period last year and the first half of this year. On the product side, we have combined AI algorithms to optimize product performance, driving down costs and further enhancing product competitiveness. Scenario-wise, our application scope has become more comprehensive, with a significant increase in usage volume. In addition, our services have expanded to diversified non-financial fields, including e-commerce and human resource. For example, Alibaba’s Taobao and Tmall use Bairong’s MaaS models to evaluate customer qualifications and purchasing power to promote e-commerce business development. As technology continues to advance and market demand grows, we believe that our MaaS business will continue to upgrade its digital and intelligent capabilities across various industries, opening up a new chapter of growth. Looking ahead, we are confident that we will continue to grow steadily over the long term, as data empowerment plays a key role in attracting new users and maintaining existing users, both in terms of risk control and marketing operations, especially in securities, e-commerce, healthcare, education, and other pan-industries, where we see great potential.

For the year ended December 31, 2024, our MaaS business reported revenue of RMB932.47 million, representing an increase of 5% year-over-year. During the Reporting Period, the number of Key Clients reached 211, while average revenue per Key Client was RMB3.37 million. Our Key Client retention rate was 97%.

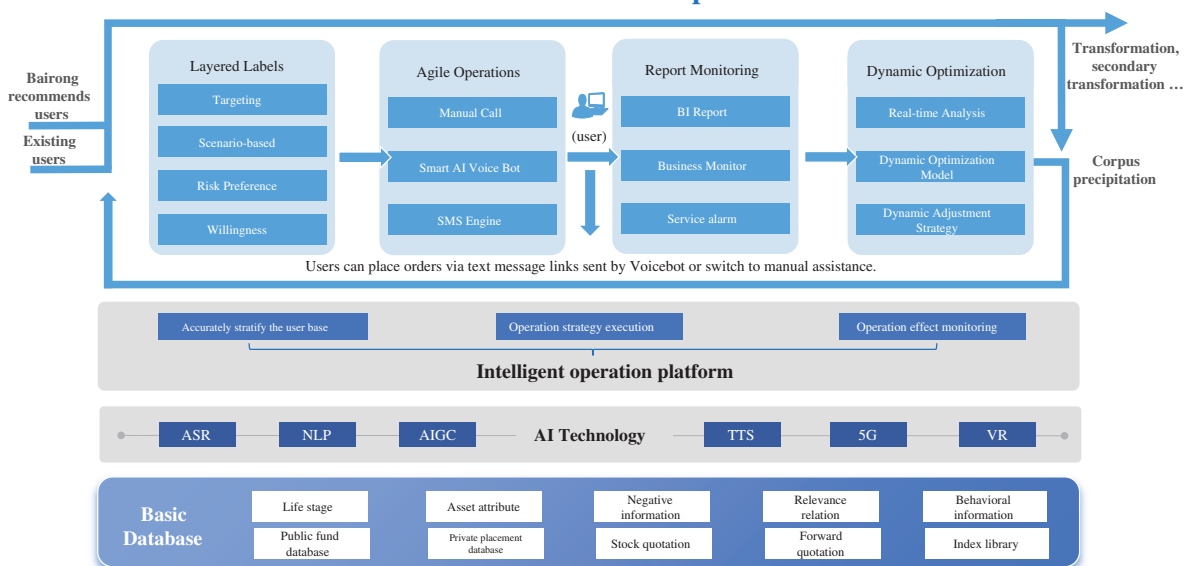
Key metrics of MaaS

	Year ended December 31,		
	2024	2023	Change (%)
	<i>(RMB in thousands, except percentages)</i>		
Revenue from MaaS	932,473	891,248	5
Revenue from Key Clients ^(Note)	711,328	744,489	(4)
Number of Key Clients	211	213	(1)
Average revenue per Key Client	3,371	3,495	(4)
Retention rate of Key Clients	97%	99%	(2)pct

Note: “Key Clients” are defined as paying clients that each contributes more than RMB300,000 total revenue to the Company for the past 12 months.

BaaS (Business as a Service)

BaaS Financial Scenario: AIGC Enables Closed-loop Service



Our BaaS (Business as a Service) business, powered by Generative AI technology, enables institutions to enhance smart marketing and operations through our self-developed AI VoiceGPT. This solution significantly improves asset operation efficiency across credit, wealth management, insurance, and internet technology industries. We first perform predictive analysis on the target users of institutional clients segmenting them into distinct groups. Our system then automatically matches optimal marketing strategies and engages potential users through our AI VoiceGPT or other methods to generate transactions. Through these end-to-end services, we reactivate dormant users across various industries while acquiring and converting new users. Our closed-loop approach enables real-time corpus accumulation, refining model training, speech iteration and user profiling for continuous optimization. Our AI VoiceGPT agent can engage in multiple rounds of interactive conversations and respond within 500 milliseconds, emulating human-like interactions and comprehend context precisely with over 99% accuracy. Our BaaS business model operates on a performance-driven pricing structure, charging a technical service fee or commission only after facilitating a successful transaction. This eliminates upfront costs for clients, making adoption risk-free, and aligns directly with client performance KPIs. Furthermore, it encourages rapid adoption, driving business expansion at scale.

BaaS – Financial Scenario

The BaaS – Financial Scenario builds on the cumulative advantages of MaaS to accurately and strategically create user profile, stratify and match users. By leveraging AIGC, it efficiently reaches and engages users, assisting banks, consumer finance, internet finance, securities, and wealth management institutions in facilitating asset transactions. For new consumer marketing, thanks to our own brand recognition and MaaS advantages, we continue to accumulate users, enabling us to empower various institutions at a lower cost. This is achieved by creating a multi-channel product structure and multi-dimensional operation system, establishing an effective connection between hundreds of millions of C-end customers and B-end financial institutions. This builds an integrated service for the entire process of new-user marketing based on financial scenarios. For the operations of existing users, leveraging Discriminant AI and Generative AI, we provide digital and intelligent services such as accurate segmentation, intelligent reach, dynamic monitoring and real-time optimization of users, through a closed-loop feedback system. This spans from front-end user analysis to intermediate marketing strategy execution and full-cycle marketing performance monitoring to assist institutions in serving their existing users base and achieve their core business KPIs. The BaaS – Financial Scenario charges technical service fees based on the gross loan facilitation volume or gross assets under management we facilitated.

In 2024, our BaaS business has demonstrated its strong potential and broad application prospects across multiple sectors:

- In the retail credit business, our BaaS model continues to demonstrate its strong market adaptability for intelligent operations, by deeply integrating financial services with various scenarios, our BaaS model can better meet customer needs. Specifically, we have partnered with well-known companies in industries such as tourism, lifestyle services, and telecommunications. Through the BaaS model, we help these companies accurately promote financial products to C-end customers, achieving scenario-based customization and precise marketing of financial services.
- Seizing market opportunities, we rapidly expanded into the non-performing asset (NPA) business. Leveraging our robust digital infrastructure, we carried out consumer loan NPA transaction consulting business and consumer loan NPA investment business, to expand revenue.
- For wealth management, we achieved a breakthrough in client acquisition, resulting in nearly doubling our revenue in this sector. This underscores the strength and scalability of our BaaS model in addressing evolving financial needs.
- We are turning our attention to non-financial areas, such as travel, social networking, e-commerce and other diversified scenarios, and we have established cooperative relationships with a number of clients. Furthermore, we are also actively exploring the application of the BaaS business model in broader AI scenarios, an innovative attempt that will further expand our service boundaries and showcase the flexibility and adaptability of our BaaS business across various industries.

Looking ahead, as we accumulate a vast corpus and the expansion of user insights, we will further strengthen our market influence and pricing power, driving enhanced profitability in the future. This ambitious target demonstrates our confidence in the BaaS business model and the substantial potential of AI technology in both financial and non-financial domains.

In 2024, our BaaS – Financial Scenario business reported revenue of RMB1,410.70 million, representing a year-over-year increase of 19% from RMB1,184.73 million for the year ended December 31, 2023. During the Reporting Period, we maintained growth against the industry's downturn, with our brand gaining increasing recognition from more and more partners. A significant number of institutions prioritize choosing us as their partner of choice, indicating that the brand effect has been established.

BaaS – Insurance Scenario

The BaaS – Insurance Scenario seamlessly supports thousands of insurance brokers through Liming Box, a multifunctional app that integrates user management system (CRM), talent management system (TMS) and insurance data solutions (IDS) toolsets. Our Discriminant AI provides comprehensive user insights, while Generative AI enables precise insurance products recommendations. Offline insurance broker teams then engage high-value users through face-to-face services. The BaaS – Insurance Scenario covers nearly 100 branches of Liming Insurance in over 20 provinces/municipalities across the country. Meanwhile, we are actively exploring more insurance scenarios, combining Generative AI and Discriminant AI to assist and enable insurance sales lead generation and assist the completion of transactions. We charge commission fees based on the amount of premiums (both first year and renewal premiums) that we generated.

In 2024, the insurance business demonstrated remarkable resilience in a challenging economic and operational environment. We proactively responded to macroeconomic pressures and changes in industry regulation, leveraging AI technology to enhance business efficiency, improve customer experience, and reduce cost. Through technology-driven solutions, we ensured the continuous growth of premiums, and we collaborated closely with customers to comply with the “unified reporting and pricing” policy requirements.

In 2024, our BaaS – Insurance Scenario reported revenue decrease by 3% year-over-year to RMB586.10 million. Total premiums increased by 63% year-over-year to RMB5,442.43 million, with first year premiums increasing by 86% year-over-year to RMB3,641.10 million and renewal premiums increasing by 31% year-over-year to RMB1,801.34 million. The persistency rate of life insurance premiums continued to exceed 90%, ranking among the top in the industry.

Key metrics of BaaS – Insurance Scenario

	Year ended December 31,		
	2024	2023	Change (%)
	<i>(RMB in thousands, except percentages)</i>		
Revenue from BaaS – Insurance Scenario	586,099	604,939	(3)
Revenue from first year premiums	486,964	508,207	(4)
First year premiums	3,641,095	1,952,887	86
Revenue from renewal premiums	99,136	96,732	2
Renewal premiums	1,801,335	1,377,605	31

BUSINESS OUTLOOK

Based on longtermism, we firmly believe that new productive forces will drive China’s future economic development, with digitalization and intelligence as irreversible industrial trends. In the short term, while economic conditions are expected to remain stable in 2025, new productive forces will continue to grow steadily. Despite increasing external pressures and internal challenges, revolutionary breakthroughs in artificial intelligence will present us with significant development opportunities. We remain steadfast in our “ALL in AI” strategic commitment, focusing on breakthroughs in Generative AI and Discriminant AI leveraging deep industry expertise to accelerate the expansion of AI applications across diverse scenarios. By integrating cutting-edge AI technologies with real-world industry needs, we aim to empower thousands of industries and households and drive technological progress at scale.

Increasing R&D investments: we will accelerate AI technology development through a multi-dimensional strategic approach. On the talent front, we will focus on attracting top AI experts and multidisciplinary professionals to strengthen our R&D team. We will also enhance employees’ technical expertise through customized training programs. On the technology front, leveraging our thousand-card computing power clusters and trillion-scale multi-modal corpora, we will continuously refine our multi-modal large language models, improving response speed and promoting collaborative innovation among natural language processing (NLP), automated machine learning (AutoML), privacy-preserving computation toolchains, and AI Agent platforms. Our industry-leading AI voice robot currently support over 20 languages. We will further optimize its performance by enhancing emotional recognition, emotional output, as well as multi-AI Agents collaborative transfer capabilities.

Increasing business investments: beyond wealth management, securities, and other pan-financial sectors, we will prioritize expanding our market share across diverse industries. By leveraging AI technology, we will drive industrial upgrades in fields such as healthcare, education, retail, recruitment, while fostering innovative “intelligent matching platform” business models. With AI at the core, we seamlessly connect resources on both the supply and demand sides. While ensuring user privacy and data security, we provide C-end consumers with precise demand matching and enable B-end enterprises to achieve efficient customer acquisition and conversion. Ultimately, this achieves a virtuous cycle of “technological empowerment – data accumulation – commercial scalability”.

MANAGEMENT DISCUSSION AND ANALYSIS

	Year ended December 31,	
	2024	2023
	<i>(RMB in thousands)</i>	
Revenue		
MaaS	932,473	891,248
BaaS	1,996,794	1,789,667
BaaS – Financial Scenario	1,410,695	1,184,728
BaaS – Insurance Scenario	586,099	604,939
Total revenue	2,929,267	2,680,915
Cost of sales	(787,555)	(726,383)
Gross profit	2,141,712	1,954,532
Other income	130,896	183,009
Research and development expenses	(509,290)	(378,785)
General and administrative expenses	(327,723)	(259,276)
Sales and marketing expenses	(1,118,937)	(1,072,988)
Impairment loss	(31,424)	(79,606)
Profit from operations	285,234	346,886
Finance income	4,893	5,758
Finance costs	(7,005)	(16,308)
Share of profits/(losses) of associates	8,317	(119)
Profit before taxation	291,439	336,217
Income tax expense	(25,410)	(958)
Profit for the year	266,029	335,259
Attributable to :		
Equity shareholders of the Company	266,182	340,459
Non-controlling interests	(153)	(5,200)

Revenue

Our total revenue increased by 9% from RMB2,680.92 million for the year ended December 31, 2023 to RMB2,929.27 million for the year ended December 31, 2024, primarily attributable to our enhanced capabilities of providing products and services despite a challenging macroeconomic and consumption environment.

Our revenue from MaaS increased by 5% from RMB891.25 million for the year ended December 31, 2023 to RMB932.47 million for the year ended December 31, 2024, primarily attributable to expanded fields of application and enhanced product competitiveness combining AI algorithms to optimize product performance.

Our revenue from the Financial Scenario of our BaaS increased by 19% from RMB1,184.73 million for the year ended December 31, 2023 to RMB1,410.70 million for the year ended December 31, 2024, primarily attributable to the increase in gross transaction values, as the result of enhanced operating efficiency and our strengthened capabilities of Generative AI.

Our revenue from the Insurance Scenario of our BaaS decreased by 3% from RMB604.94 million for the year ended December 31, 2023 to RMB586.10 million for the year ended December 31, 2024, primarily attributable to an overall softness across the insurance industry, as the insurance industry implemented new rules requiring consistency in commissions reported with the level actually paid, which may have short term impact on the industry.

Cost of sales

Our cost of sales increased by 8% from RMB726.38 million for the year ended December 31, 2023 to RMB787.56 million for the year ended December 31, 2024, in line with the growth of our business scale.

Gross profit and gross margin

As a result of the foregoing, the Group's gross profit increased by 10% from RMB1,954.53 million for the year ended December 31, 2023 to RMB2,141.71 million for the year ended December 31, 2024. The Group's gross margin were approximately 73% for both the year ended December 31, 2024 and 2023.

Research and development expenses

The Group's research and development expenses increased by 34% from RMB378.79 million for the year ended December 31, 2023 to RMB509.29 million for the year ended December 31, 2024, primarily attributable to the increase in the staff costs of our research and development personnel to support product offerings and technology development about various AI application technology, algorithm-driven machine learning platform and underlying database performance. Research and development expenses as a percentage of revenue increased by 3pct to 17%.

General and administrative expenses

The Group's general and administrative expenses increased by 26% from RMB259.28 million for the year ended December 31, 2023 to RMB327.72 million for the year ended December 31, 2024, primarily attributable to the increase in share-based compensation expenses from the grant of share options and restricted share units by the Company during the year ended December 31, 2024. General and administrative expenses as a percentage of revenue increased slightly by 1pct to 11%.

Sales and marketing expenses

Our sales and marketing expenses increased by 4% from RMB1,072.99 million for the year ended December 31, 2023 to RMB1,118.94 million for the year ended December 31, 2024, primarily due to an increase of RMB74.62 million of promotion, advertising, information technology services and other related expenses, which was mainly due to the increased branding and business promotion to enhance our brand recognition and our continuous efforts to obtain high-quality traffic to improve conversion efficiency. Sales and marketing expenses as a percentage of revenue decreased by 2pct to 38%.

Other income

Our other income decreased by 28% from RMB183.01 million for the year ended December 31, 2023 to RMB130.90 million for the year ended December 31, 2024. This is primarily due to a decrease of RMB37.00 million of government grants.

Profit for the year

As a result of the foregoing, the Group's profit for the year decreased by 21% from RMB335.26 million for the year ended December 31, 2023 to RMB266.03 million for the year ended December 31, 2024.

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use non-IFRS profit and non-IFRS EBITDA as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items which our management considers non-indicative of our operating performance.

We believe these measures provide useful information to investors and others in understanding and evaluating our consolidated statement of profit or loss in the same manner as they help our management. However, our presentation of non-IFRS profit and non-IFRS EBITDA may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitutes for an analysis of, our results of operations or financial condition as reported under IFRSs.

We define non-IFRS profit as profit for the year, excluding share-based compensation. We define non-IFRS EBITDA as EBITDA excluding share-based compensation. We exclude these items because they are not expected to result in future cash payments that are recurring in nature and they are not indicative of our core operating results and business outlook.

The following table reconciles our non-IFRS profit for the year ended December 31, 2023 and 2024 and non-IFRS EBITDA presented to the most directly comparable financial measure calculated and presented in accordance with IFRSs, which is profit for the year:

Reconciliation of profit to non-IFRS profit for the year:

	Year ended December 31,	
	2024	2023
	<i>(RMB in thousands)</i>	
	<u> </u>	<u> </u>
Profit for the year	266,029	335,259
Add		
Share-based compensation ⁽¹⁾	<u>110,022</u>	<u>39,805</u>
Non-IFRS profit for the year	<u>376,051</u>	<u>375,064</u>
Non-IFRS profit margin for the year⁽²⁾	<u>13%</u>	<u>14%</u>

Reconciliation of profit to EBITDA and non-IFRS EBITDA for the year:

	Year ended December 31,	
	2024	2023
	<i>(RMB in thousands)</i>	
	<u> </u>	<u> </u>
Profit for the year	266,029	335,259
Add		
Finance income	(4,893)	(5,758)
Finance costs	7,005	16,308
Income tax expense	25,410	958
Depreciation	75,262	67,764
Amortization	<u>7,341</u>	<u>9,446</u>
EBITDA	376,154	423,977
Add		
Share-based compensation ⁽¹⁾	<u>110,022</u>	<u>39,805</u>
Non-IFRS EBITDA	<u>486,176</u>	<u>463,782</u>
Non-IFRS EBITDA margin⁽³⁾	<u>17%</u>	<u>17%</u>

Note:

- (1) Share-based compensation relates to the share options and share award schemes that we granted under our share incentive plans, which is a non-cash expense that is commonly excluded from similar non-IFRS measures adopted by other companies in our industry.
- (2) Represents non-IFRS profit divided by revenue for the years presented.
- (3) Represents non-IFRS EBITDA divided by revenue for the years presented.

Liquidity and source of funding and borrowing

Other than the proceeds from the Global Offering, we have historically funded our cash requirements principally from cash generated from our operations and shareholder equity contributions. To monitor liquidity risk, we monitor and maintain a level of cash and cash equivalents as deemed adequate by our senior management to finance our operations.

Cash, cash equivalents and time deposits

The Group had cash and cash equivalents and time deposits of RMB3,176.39 million and RMB3,301.84 million as at December 31, 2024 and December 31, 2023, respectively.

Significant Investments

The Group did not make or hold any significant investments during the year ended December 31, 2024.

The Board confirmed that the Group's transactions in financial assets during the Reporting Period, on a standalone basis and aggregate basis, did not constitute notifiable transactions under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Material acquisitions and disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the year ended December 31, 2024.

Pledge of assets

The Group had not pledged any assets as at December 31, 2024.

Future plans for material investments or capital assets

Save for the expansion plan as disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated March 19, 2021 (the "**Prospectus**"), the Group did not have detailed future plans for material investments or capital assets as at December 31, 2024.

Gearing ratio

As at December 31, 2024, the Group's gearing ratio (i.e. total liabilities divided by total assets) was 0.21 (as at December 31, 2023: 0.19).

Foreign exchange exposure

During the year ended December 31, 2024, the Group mainly operated in China and the majority of the transactions were settled in RMB, the Company's consolidated affiliated entities' functional currency. As at December 31, 2024, except for bank deposits and investments denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations.

Contingent liabilities

The Group had no material contingent liabilities as at December 31, 2024.

Capital commitment

The Group had no material capital commitment as at December 31, 2024.

Employees and remuneration

As at December 31, 2024, the Group had a total of 1,445 employees. The following table sets forth the total number of employees by function as at December 31, 2024:

Function	As at December 31, 2024	As % of Total Employees
Sales and marketing	362	25%
Research and development	755	52%
Customer service	176	12%
General administration	152	11%
Total	<u>1,445</u>	<u>100%</u>

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer our employees with competitive compensation packages, including competitive salaries, performance-based cash bonuses and other incentives. The total remuneration cost incurred by the Group for the year ended December 31, 2024 was RMB875.30 million, as compared to RMB718.01 million for the year ended December 31, 2023.

The Company has also adopted a 2024 share scheme and a restricted share unit scheme to incentivize its employees. To maintain the quality, knowledge and skill levels of our employees, we regularly organize training activities for our employees.

CORPORATE GOVERNANCE

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

Compliance with the Corporate Governance Code

The Company had complied with the applicable code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the Listing Rules (as amended from time to time) during the year ended December 31, 2024 save for the deviation below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company deviates from this provision because Mr. Zhang Shaofeng (“**Mr. Zhang**”) performs both the roles of chairperson of the Board and the chief executive officer of the Company. Mr. Zhang is the founder of the Group and has extensive experience in the business operations and management of the Group. The Board believes that vesting the roles of both chairperson and chief executive officer to Mr. Zhang has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning. This structure will enable our Company to make and implement decisions promptly and effectively.

Our Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees and our three independent non-executive Directors. The Board will reassess the division of the roles of chairperson and chief executive officer from time to time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of the Group as a whole.

Compliance with the Model Code for Securities Transactions by Directors

The class B ordinary shares (“**Class B Shares**”) were listed on the Stock Exchange on March 31, 2021, since which time the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (“**Model Code**”) has been applicable to the Company.

The Company has adopted the Management Trading of Securities Policy (the “**Code**”), with terms no less exacting than the Model Code, as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Code during the Reporting Period and up to the date of this announcement.

Audit Committee

The Group has established an audit committee (the “**Audit Committee**”) comprising three members, being Mr. Zhou Hao, Mr. Bai Linsen and Professor Chen Zhiwu, with Mr. Zhou Hao (being the Group’s independent non-executive Director with the appropriate professional qualifications) as the chairperson of the Audit Committee.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended December 31, 2024 and has met with KPMG, the Group's independent auditor (the "**Auditor**"). The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control and financial reporting matters with senior management members of the Company.

Scope of work of the Auditor

The financial figures in respect of the Group's consolidated statement of financial position as at December 31, 2024, the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of cash flows and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been compared by the Auditor to the amounts set out in the Group's audited consolidated financial statements for the year ended December 31, 2024 and the amounts were found to be in agreement. The work performed by the Auditor in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor.

Other Board committees

In addition to the Audit Committee, the Board has also established a nomination committee, a remuneration committee and a corporate governance committee.

OTHER INFORMATION

Purchase, sale or redemption of the Company's listed securities

During the Reporting Period, the Company repurchased a total of 25,490,000 Class B Shares (the "**Shares Repurchased**") on the Stock Exchange at an aggregate consideration (including transaction cost) of approximately HK\$237.51 million including expenses to enhance the Company's shareholder value in the long run. As at December 31, 2024, an outstanding number of 25,313,000 Class B Shares that were repurchased had not been cancelled yet and all such Class B Shares were subsequently cancelled on February 28, 2025. Therefore, there are no outstanding Class B Shares that were repurchased and not yet cancelled as at the date of this announcement. Particulars of the Shares Repurchased during the Reporting Period are as follows:

Month of repurchase	No. of Class B Shares repurchased	Highest price paid per Class B Share (HK\$)	Lowest price paid per Class B Share (HK\$)	Aggregate Consideration (HK\$)
February	177,000	11.96	11.30	2,070,690
March	856,500	13.50	10.88	10,016,340
April	2,335,500	11.08	9.10	23,475,800
May	1,629,500	10.38	9.16	15,924,815
June	2,024,500	9.45	8.93	18,564,990
July	1,978,000	9.46	8.89	18,242,805
August	1,678,500	8.39	7.81	13,499,265
September	4,320,500	8.32	7.82	34,679,085
October	4,604,000	11.00	9.29	45,389,215
November	5,886,000	10.34	8.85	55,643,095
Total	<u>25,490,000</u>			<u>237,506,100</u>

The total of 25,313,000 Class B Shares repurchased from March 26, 2024 to November 28, 2024 were cancelled on February 28, 2025. A total of 3,973,800 Class A Shares were proportionately converted into Class B Shares on a one-to-one ratio on February 28, 2025.

In addition, 10,331,500 Class B Shares were purchased by trustees of the Company's share award schemes on the market during the year ended December 31, 2024 to satisfy share awards to be vested in subsequent periods.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including any sale of treasury shares (as defined under the Listing Rules)) listed on the Stock Exchange during the year ended December 31, 2024. As at December 31, 2024, the Company did not hold any treasury shares (as defined under the Listing Rules).

Material litigation

The Company was not involved in any material litigation or arbitration during the year ended December 31, 2024. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period and up to the date of this announcement.

Dividends

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2024.

Use of proceeds from the Global Offering

On March 31, 2021, the shares of the Company were listed on the Main Board of the Stock Exchange (the “**Global Offering**”). The net proceeds from the Global Offering were approximately RMB3,170.39 million (the “**IPO Proceeds**”), after deducting underwriting commissions and total expenses paid by the Company in connection with the Global Offering.

As disclosed in the Company’s interim results announcement dated August 29, 2024, having considered the Company’s operational status and business developments then, the Board resolved to extend the expected timeline for the use of the unutilised IPO Proceeds for (i) the enhancement of efforts in research and development; and (ii) working capital and general corporate purposes from the end of 2024 to the end of 2026 (the “**Extension of Utilisation Timeline**”). Save for the Extension of Utilisation Timeline, the Group has gradually utilised the IPO Proceeds in accordance with the intended purposes stated in the Prospectus. For details, please refer to the following table:

	IPO Proceeds from the Global Offering (RMB million)	Proportion	Unutilised net amount as at January 1, 2024 (RMB million)	Amount utilised during the Reporting Period (RMB million)	Unutilised amount as at December 31, 2024 (RMB million)	Expected timeline of full utilisation of the unutilised IPO Proceeds
Fund business expansion with a goal to expand FSP client base and penetrate into existing FSP client base	1,426.68	45%	324.68	324.68	-	Not applicable
Enhance efforts in research and development	951.12	30%	510.09	257.77	252.32	Before December 31, 2026
Pursue strategic investments and acquisitions to expand our existing product and service offerings, improve our technology capabilities, and enhance our value proposition to FSP clients	475.56	15%	153.92	153.92	-	Not applicable
Working capital and general corporate purposes	317.03	10%	317.03	132.72	184.31	Before December 31, 2026
Total	3,170.39	100%	1,305.72	869.09	436.63	

The current expected timeline for full utilisation of the IPO Proceeds is based on the Company’s current business plans and best estimation of future market conditions, and thus might be subject to further changes.

Events after the Reporting Period

Save as disclosed in this announcement, there were no other significant events that might affect the Group after the Reporting Period.

FINANCIAL INFORMATION

Consolidated Statement of Profit or Loss

for the year ended December 31, 2024

Expressed in Renminbi (“RMB”)

		Year ended December 31,	
		2024	2023
	Note	RMB'000	RMB'000
Revenue	3	2,929,267	2,680,915
Cost of sales		<u>(787,555)</u>	<u>(726,383)</u>
Gross profit		2,141,712	1,954,532
Other income	4	130,896	183,009
Research and development expenses		(509,290)	(378,785)
General and administrative expenses		(327,723)	(259,276)
Sales and marketing expenses		(1,118,937)	(1,072,988)
Impairment loss	5(c)	<u>(31,424)</u>	<u>(79,606)</u>
Profit from operations		285,234	346,886
Finance income	5(a)	4,893	5,758
Finance costs	5(a)	(7,005)	(16,308)
Share of profits/(losses) of associates		<u>8,317</u>	<u>(119)</u>
Profit before taxation	5	291,439	336,217
Income tax expense	6	<u>(25,410)</u>	<u>(958)</u>
Profit for the year		<u>266,029</u>	<u>335,259</u>
Attributable to:			
Equity shareholders of the Company		266,182	340,459
Non-controlling interests		<u>(153)</u>	<u>(5,200)</u>
Profit for the year		<u>266,029</u>	<u>335,259</u>
Earnings per share			
Basic (RMB)	7	0.58	0.72
Diluted (RMB)	7	<u>0.56</u>	<u>0.68</u>

Consolidated Statement of Profit or Loss and other Comprehensive Income
for the year ended December 31, 2024
Expressed in Renminbi (“RMB”)

	Year ended December 31,	
	2024	2023
	<i>RMB’000</i>	<i>RMB’000</i>
Profit for the year	266,029	335,259
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit or loss		
Share of other comprehensive income of investments accounted for using the equity method	<u>1</u>	<u>–</u>
Total comprehensive income for the year	<u>266,030</u>	<u>335,259</u>
Attributable to:		
Equity shareholders of the Company	266,183	340,459
Non-controlling interests	<u>(153)</u>	<u>(5,200)</u>
Total comprehensive income for the year	<u>266,030</u>	<u>335,259</u>

Consolidated Statement of Financial Position

As at December 31, 2024

Expressed in RMB

	As at December 31, 2024	As at December 31, 2023
Note	RMB'000	RMB'000
Non-current assets		
Property, plant and equipment	80,758	52,872
Intangible assets	30,617	47,431
Right-of-use assets	125,402	48,192
Goodwill	34,054	119,466
Financial assets at fair value through profit or loss	152,156	149,750
Interests in associates	197,436	9,645
Deferred tax assets	16,996	3,457
Time deposits	193,594	1,982,833
Restricted cash	8,605	8,305
	<u>839,618</u>	<u>2,421,951</u>
Current assets		
Prepaid expenses and other current assets	304,061	447,445
Time deposits	2,243,569	405,015
Financial assets at fair value through profit or loss	480,568	724,231
Loans receivable	115,263	68,172
Trade receivables	9 611,816	519,247
Restricted cash	211	5,721
Cash and cash equivalents	739,227	913,987
Assets held for sale	11 360,959	–
	<u>4,855,674</u>	<u>3,083,818</u>
Current liabilities		
Bank loans	–	91,360
Trade payables	10 256,657	301,856
Contract liabilities	62,175	81,576
Lease liabilities	36,396	39,065
Accrued expenses and other current liabilities	406,528	519,416
Current taxation	18,002	519
Liabilities directly associated with the assets held for sale	11 280,164	–
	<u>1,059,922</u>	<u>1,033,792</u>

Consolidated Statement of Financial Position (continued)*As at December 31, 2024**Expressed in RMB*

	As at December 31, 2024 <i>RMB'000</i>	As at December 31, 2023 <i>RMB'000</i>
Net current assets	<u>3,795,752</u>	<u>2,050,026</u>
Total assets less current liabilities	<u>4,635,370</u>	<u>4,471,977</u>
Non-current liabilities		
Lease liabilities	90,499	14,085
Deferred tax liabilities	18,221	8,968
	<u>108,720</u>	<u>23,053</u>
NET ASSETS	<u><u>4,526,650</u></u>	<u><u>4,448,924</u></u>
Equity		
Share capital	62	64
Treasury shares	(298,728)	(185,584)
Reserves	4,815,745	4,624,720
Total equity attributable to equity shareholders of the Company	<u>4,517,079</u>	<u>4,439,200</u>
Non-controlling interests	<u>9,571</u>	<u>9,724</u>
TOTAL EQUITY	<u><u>4,526,650</u></u>	<u><u>4,448,924</u></u>

Condensed Consolidated Statement of Cash Flows
for the year ended December 31, 2024
Expressed in RMB

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash generated from operating activities	302,784	339,159
Net cash generated from/(used in) investing activities	30,122	(39,266)
Net cash used in financing activities	(468,901)	(270,679)
Net (decrease)/increase in cash and cash equivalents	(135,995)	29,214
Cash and cash equivalents at the beginning of the year	913,987	888,508
Effect of foreign exchange rate changes	400	(3,735)
Cash and cash equivalents at the end of the year	778,392	913,987
Analysis of cash and cash equivalents:		
Cash and cash equivalents as stated in the statement of financial position	739,227	913,987
Cash and cash equivalents of a disposal group classified as held for sale	39,165	–
Cash and cash equivalents as stated in the statement of cash flows	778,392	913,987

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and presentation of the financial statements

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Listing Rules.

The financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of financial statements in conformity with IFRS Accounting Standards, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements.

2. Changes in accounting policies

The Group has initially adopted the following accounting policies for annual financial statements covering periods beginning on or after January 1, 2024. Adopting these accounting policies does not have a material effect on the Group’s financial statements.

- Amendments to IAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* and amendments to IAS 1, *Presentation of financial statements – Non-current liabilities with covenants*
- Amendments to IFRS 16, *Leases – Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Revenue

The principal activities of the Group are providing MaaS and BaaS services in the PRC.

The amount of each significant category of revenue is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
MaaS	932,473	891,248
BaaS		
BaaS – Financial Scenario	1,410,695	1,184,728
BaaS – Insurance Scenario	586,099	604,939
	2,929,267	2,680,915

During the year, no customer individually accounted for more than 10% of the Group's total revenue.

Disaggregation of the Group's revenue from contracts with customers by the timing of revenue recognition is set out below:

	2024 RMB'000	2023 <i>RMB'000</i>
Point-in-time	1,732,152	1,497,078
Over-time	1,197,115	1,183,837
	2,929,267	2,680,915

Remaining Performance Obligation

The Group has elected the practical expedient not to disclose the information about remaining performance obligations which are part of contracts that have an original expected duration of one year or less and do not disclose the value of remaining performance obligations for contracts in which the Group recognises revenue at the amount to which the Group has the right to invoice.

All of the Group's operating assets are located in the PRC and all of the Company's revenue and operating profits are derived from the PRC during the years. Accordingly, no segment analysis based on geographical locations is provided.

4. Other income

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income from time deposits	78,721	78,293
Net gains on financial investments measured at fair value through profit or loss	35,897	47,238
Government grants and others	15,878	52,877
Foreign currency exchange gains/(loss), net	400	(3,735)
Extra deduction of input VAT	–	9,888
Gains from fixed coupon note	–	44
Net loss on derivatives	–	(1,596)
	<u>130,896</u>	<u>183,009</u>

5. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance income and costs

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Finance income		
Interest income from bank deposits	<u>(4,893)</u>	<u>(5,758)</u>
	<u>(4,893)</u>	<u>(5,758)</u>
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Finance costs		
Interest expense on bank loans	1,982	11,981
Interest expense on lease liabilities	<u>5,023</u>	<u>4,327</u>
Total	<u>7,005</u>	<u>16,308</u>

(b) Staff costs

	2024	2023
	RMB'000	RMB'000
Salaries, wages and other benefits	694,194	622,405
Contributions to defined contribution retirement plan ^(Note)	60,554	49,946
Equity-settled share-based compensation expenses	110,022	39,805
Termination benefits	10,527	5,849
	<hr/>	<hr/>
Total	875,297	718,005
	<hr/> <hr/>	<hr/> <hr/>

Note:

Employees of the Group's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

(c) Other items

	2024	2023
	RMB'000	RMB'000
Analytics service costs	123,955	123,708
BaaS-related insurance brokerage commission, operating and marketing expenditures	1,288,264	1,158,300
Depreciation of property, plant and equipment	25,631	18,481
Amortisation of intangible assets	7,341	9,446
Depreciation of right-of-use assets	49,631	49,283
Impairment losses		
– Trade receivables and others	24,402	12,765
– Loans	7,022	6,294
– Goodwill	–	60,547
Auditors' remuneration	4,280	4,280

6. Income tax expense

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax		
– PRC Enterprise Income Tax Provision for the year	27,944	501
Deferred tax		
– Changes in deferred tax assets/liabilities	<u>(2,534)</u>	<u>457</u>
	<u>25,410</u>	<u>958</u>

7. Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the year 2024 and 2023.

The following table sets forth the basic earnings per share computation and the numerator and denominator for the years presented:

	2024	2023
Net profit attributable to equity shareholders of the Company (RMB'000)	266,182	340,459
Weighted average number of ordinary shares	<u>460,479,896</u>	<u>475,610,772</u>
Basic earnings per share attributable to equity shareholders of the Company (in RMB)	<u>0.58</u>	<u>0.72</u>

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the years ended 2024 and 2023 the Company has share options and share award scheme as potential ordinary shares.

	2024	2023
Net profit attributable to equity shareholders of the Company (RMB'000)	266,182	340,459
Weighted average number of ordinary shares	460,479,896	475,610,772
Adjustments for share options and share award scheme	<u>15,363,683</u>	<u>23,556,541</u>
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	<u>475,843,579</u>	<u>499,167,313</u>
Diluted earnings per share attributable to equity shareholders of the Company (in RMB)	<u>0.56</u>	<u>0.68</u>

8. Dividends

During the years of 2024 and 2023, no dividends were declared by the entities comprising the Group to its owners.

9. Trade receivables

	As at December 31, 2024 <i>RMB'000</i>	As at December 31, 2023 <i>RMB'000</i>
Trade receivables	617,189	522,062
Less: loss allowance	<u>(5,373)</u>	<u>(2,815)</u>
Trade receivables, net	<u><u>611,816</u></u>	<u><u>519,247</u></u>

Ageing analysis

As of the end of each of the year, the ageing analysis of trade receivables, based on the transaction date and net of loss allowance, is as follows:

	As at December 31, 2024 <i>RMB'000</i>	As at December 31, 2023 <i>RMB'000</i>
Within 3 months (inclusive)	462,846	387,966
3 months to 6 months (inclusive)	96,270	97,502
6 months to 1 year (inclusive)	50,804	34,967
Over 1 year	7,269	1,627
Less: loss allowance	<u>(5,373)</u>	<u>(2,815)</u>
Trade receivables, net	<u><u>611,816</u></u>	<u><u>519,247</u></u>

10. Trade payables

	As at December 31, 2024 <i>RMB'000</i>	As at December 31, 2023 <i>RMB'000</i>
Amounts due to third parties	<u>256,657</u>	<u>301,856</u>

As of the end of each of the year, the ageing analysis of trade payables, based on the invoice date, is as follows:

	As at December 31, 2024 <i>RMB'000</i>	As at December 31, 2023 <i>RMB'000</i>
Within 6 months	246,252	285,509
6 months to 1 year	8,069	13,236
1 to 2 years	<u>2,336</u>	<u>3,111</u>
	<u>256,657</u>	<u>301,856</u>

Trade payables are primarily expected to be settled within one year or are repayable on demand.

11. Disposal group classified as held for sale

In December 2024, the management of the company has committed to a plan to sell 20% equity interest in Beijing All Union Technology Co., Ltd. (the “**All Union**”) for a cash consideration of RMB60,000,000 (the “**Disposal**”). The execution of the formal agreement and the completion of the Disposal are expected to occur in the first half of 2025, which may be subject to further changes depending on market conditions. The assets and liabilities attributable to All Union, which are expected to be sold within the next twelve months, have been classified as assets and liabilities held for sale and are presented separately in the consolidated statement of financial position.

12. Events after the Reporting Period

There were no material subsequent events during the period from December 31, 2024 to the approval date of the Annual Financial Report by the Board on March 26, 2025.

13. Comparatives

Certain comparative amounts have been reclassified to conform with the current year’s presentation.

RENEWAL OF COMPLIANCE ADVISER AGREEMENT

The Board hereby announces that the Company has, as required under the Listing Rules, extended the compliance adviser agreement with Guotai Junan Capital Limited (“GTJA”) with effect from the day after the publication of the 2024 annual report, until the date on which the compliance adviser agreement entered into between the Company and GTJA is terminated in accordance with its terms.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.brgroup.com). The printed copy of annual report for the year ended December 31, 2024 will be dispatched to the Company’s shareholders on request and made available for review on the same websites in due course.

By order of the Board
Bairong Inc.
Zhang Shaofeng
Chairman and Executive Director

Hong Kong, March 26, 2025

As at the date of this announcement, the Board comprises Mr. Zhang Shaofeng, Mr. Zheng Wei and Ms. Han Kui Fang as executive Directors, Mr. Bai Linsen and Professor Liao Jianwen as non-executive Directors, and Professor Chen Zhiwu, Mr. Zhou Hao and Dr. Li Yao as independent non-executive Directors.