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Zhongmiao Holdings (Qingdao) Co., Ltd.

眾森控股(青島)股份有限公司

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

(Stock Code: 1471)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2024, the Group recorded revenue of approximately RMB205.8 million, representing an increase of 18.3% as compared with the corresponding period last year (2023: approximately RMB174.0 million).
- For the year ended 31 December 2024, the profit for the year of the Company was approximately RMB46.2 million, representing an increase of 18.5% as compared with the corresponding period last year (2023: approximately RMB39.0 million).
- For the year ended 31 December 2024, profit attributable to owners of the Company was approximately RMB46.7 million, representing an increase of approximately 15.6% as compared with the corresponding period last year (2023: approximately RMB40.4 million).
- For the year ended 31 December 2024, the net cash inflow generated from the Group's operating activities amounted to approximately RMB30.1 million, representing an increase of approximately 50.5% as compared with the corresponding period last year (2023: approximately RMB20.0 million).

FINAL DIVIDEND

- The Board recommended the payment of a final dividend of RMB0.135 per share (tax inclusive) for the year ended 31 December 2024 in cash, subject to the approval of the shareholders of the Company at the 2024 annual general meeting.

The board (the “**Board**”) of directors (the “**Directors**”) of Zhongmiao Holdings (Qingdao) Co., Ltd. (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2023. This annual results announcement is prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in relation to preliminary announcements of annual results.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

Expressed in Renminbi (“RMB”)

		2024	2023
	<i>Note</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue	3	205,827	174,011
Cost of sales		<u>(126,999)</u>	<u>(99,498)</u>
Gross profit		78,828	74,513
Other income	4	10,677	11,324
Research and development costs		(7,246)	(7,141)
General and administrative expenses		(16,379)	(18,566)
Sales and marketing costs		(8,799)	(11,871)
Reversal of/(Provision for) impairment loss		<u>8</u>	<u>(34)</u>
Profit from operations		57,089	48,225
Finance costs	5(a)	<u>(193)</u>	<u>(206)</u>
Profit before taxation		56,896	48,019
Income tax	6	<u>(10,671)</u>	<u>(9,026)</u>
Profit for the year		<u>46,225</u>	<u>38,993</u>

		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Attributable to:			
Equity shareholders of the Company		46,657	40,372
Non-controlling interests		<u>(432)</u>	<u>(1,379)</u>
Profit for the year		46,225	38,993
Other comprehensive income for the year			
(after tax)		<u>—</u>	<u>—</u>
Total comprehensive income for the year		<u>46,225</u>	<u>38,993</u>
Attributable to:			
Equity shareholders of the Company		46,657	40,372
Non-controlling interests		<u>(432)</u>	<u>(1,379)</u>
Total comprehensive income for the year		<u>46,225</u>	<u>38,993</u>
Earning per share			
Basic and diluted earnings per share (<i>RMB</i>)	7	<u>0.39</u>	<u>0.39</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024 (Expressed in RMB)

		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment	8	192	324
Intangible assets	9	–	–
Right-of-use assets	10	1,724	461
Deferred tax assets	16	19	15
Contract costs and other assets	12	–	43
Time deposits	13(b)	136,282	132,277
Restricted cash	13(c)	7,736	7,545
		<u>145,953</u>	<u>140,665</u>
Current assets			
Accounts and bills receivables	11	41,965	30,806
Contract costs and other assets	12	7,744	10,635
Cash and cash equivalents	13(a)	169,721	203,638
Time deposits	13(b)	262,638	–
Restricted cash	13(c)	7,372	4,208
		<u>489,440</u>	<u>249,287</u>
Current liabilities			
Accounts and other payables	14	26,896	17,689
Contract liabilities	15	1,133	1,226
Lease liabilities		–	244
Accrued expenses		4,269	4,097
Current taxation payables		4,723	3,477
		<u>37,021</u>	<u>26,733</u>
Net current assets		<u>452,419</u>	<u>222,554</u>
Total assets less current liabilities		<u>598,372</u>	<u>363,219</u>

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
NET ASSETS		<u>598,372</u>	<u>363,219</u>
Equity			
Paid-in capital/share capital		141,196	105,896
Reserves		<u>458,999</u>	<u>259,314</u>
Total equity attributable to equity shareholders of the Company		600,195	365,210
Non-controlling interests		<u>(1,823)</u>	<u>(1,991)</u>
TOTAL EQUITY		<u>598,372</u>	<u>363,219</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

1 CORPORATE INFORMATION

Zhongmiao Holdings (Qingdao) Co., Ltd. (the “**Company**”) was established under its former name, Qingdao Quanzhanggui Technology Co., Ltd. (青島全掌櫃科技有限公司), by Qingdao Haiyinghui Management Consulting Co., Ltd. (青島海盈匯管理諮詢有限公司) as a limited liability company in the People’s Republic of China (“**PRC**”) on 16 March 2017 and subsequently converted into a joint stock company with limited liability on 14 March 2023. The Company and its subsidiaries (together, “**the Group**”) are principally engaged in providing insurance agency services, IT services and consulting services in the PRC. The Company is the holding company of the Group and is primarily engaged in the provision of IT services.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 6 August 2024.

2 MATERIAL ACCOUNTING POLICIES INFORMATION

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Material accounting policies adopted by the Group are disclosed below.

Certain amendments to IFRSs have been issued that are first effective for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation and presentation of the financial statements

These consolidated financial statements have been prepared on a going concern basis. The financial statements are presented in RMB, rounded to the nearest thousands, except for earnings per share information.

The consolidated financial statements for the year ended 31 December 2024 comprises the Company and its subsidiaries (together referred to as “**the Group**”).

The measurement basis used in the preparation of the financial statements is the historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in Note 2(e).

The preparation of financial statements in conformity with IFRSs 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

(c) Changes in accounting policies

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

- Amendments to IAS 1, Classification of Liabilities as Current or Non-current
- Amendments to IAS 1, Non-current Liabilities with Covenants
- Amendments to IFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7, 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 AND SEGMENT REPORTING

The principal activities of the Group are the provision of insurance agency services, IT services and consulting services in the PRC.

(a) Disaggregation of revenue

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by business segment			
– Insurance agency business	(i)	187,693	155,748
– IT services		16,961	15,782
– Consulting services		1,173	2,481
Total		<u>205,827</u>	<u>174,011</u>

Note:

- (i) The amount of each significant category of revenue from insurance agency business is as follows:

Disaggregated by the purchasers of insurance products

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Household insurance clients	115,576	91,478
Corporate insurance clients	<u>72,117</u>	<u>64,270</u>
Total	<u>187,693</u>	<u>155,748</u>

Disaggregated by major products

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Property insurance products	69,993	59,806
Life and health insurance products	24,153	33,757
Accident insurance products	38,213	27,830
Automobile insurance products	<u>55,334</u>	<u>34,355</u>
Total	<u>187,693</u>	<u>155,748</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Point-in-time	192,084	159,377
Over-time	<u>13,743</u>	<u>14,634</u>
Total	<u>205,827</u>	<u>174,011</u>

The Group's customer base is diversified. Revenue from major customers which accounted for 10% or more of the Group's revenue during the year are set out below:

	2024 RMB'000	2023 <i>RMB'000</i>
A	76,509	62,847
B	32,508	*

Note: * Revenue from the customer was less than 10% for the respective year.

(b) Segment reporting

The Group manages its business by business lines. In a manner consistent with the way in which information is reported to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments.

– Insurance agency business

The Group acts as the agent in distributing insurance products on behalf of the insurance companies.

– IT services

The Group offers IT services to insurance company partners, insurance intermediaries and companies from different industries, by designing and developing digitalised solutions based on their needs.

- Consulting services

The Group provides consulting services including the provision of human resources consulting services and marketing and promotion services.

(i) Segment results

For the purposes of assessing segment performance and allocating between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the 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. The items, such as segment expenses and other income, segment assets and liabilities are not regularly provided to the Group's most senior executive management. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

	Insurance Agency Services RMB'000	IT services RMB'000	Consulting services RMB'000	Total RMB'000
Year ended 31 December 2023				
Revenue	155,748	15,782	2,481	174,011
Cost of sales	<u>(91,741)</u>	<u>(6,612)</u>	<u>(1,145)</u>	<u>(99,498)</u>
Gross Profit	<u>64,007</u>	<u>9,170</u>	<u>1,336</u>	<u>74,513</u>
Year ended 31 December 2024				
Revenue	187,693	16,961	1,173	205,827
Cost of sales	<u>(118,633)</u>	<u>(7,650)</u>	<u>(716)</u>	<u>(126,999)</u>
Gross Profit	<u>69,060</u>	<u>9,311</u>	<u>457</u>	<u>78,828</u>

(ii) Geographic information

Most of the Group's operating assets are located in the PRC, and most of operating results were derived from the PRC. Accordingly, no segment analysis based on geographical location is provided.

4 OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Realised gains from financial investments measured at fair value through profit or loss	411	–
Government grants	518	2,063
Interest income	9,296	9,292
Others	452	(31)
	<u> </u>	<u> </u>
Total	<u>10,677</u>	<u>11,324</u>

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest expense on lease liabilities	28	47
Others	165	159
	<u> </u>	<u> </u>
Total	<u>193</u>	<u>206</u>

(b) Staff costs

	<i>Note</i>	2024 RMB'000	2023 <i>RMB'000</i>
Salaries, wages and other benefits		29,094	29,531
Contributions to defined contribution retirement plans	(i)	<u>2,500</u>	<u>3,192</u>
Total		<u>31,594</u>	<u>32,723</u>

Note:

- (i) Pursuant to the relevant laws and regulations of the PRC, the Group participated in a defined contribution basic pension insurance and unemployment insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans and unemployment insurance based on the applicable benchmarks and rates stipulated by the government.

(c) Other items

	2024 RMB'000	2023 <i>RMB'000</i>
Referral fees	103,633	68,170
Commission fees	7,815	14,470
Service fees	4,236	6,004
IT subcontracting fees	1,749	2,504
Listing expenses	1,286	4,754
Depreciation and amortisation charges		
– Depreciation of property, plant and equipment	143	212
– Amortisation of intangible assets	–	143
– Depreciation of right-of-use assets	1,055	1,953
Auditors' remuneration	1,302	170

6 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss:

	2024 RMB'000	2023 RMB'000
Current tax		
– PRC Enterprise Income Tax	10,675	9,027
Deferred tax		
– Reversal of temporary differences	(4)	(1)
Total	<u>10,671</u>	<u>9,026</u>

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2024 RMB'000	2023 RMB'000
Profit before taxation	<u>56,896</u>	<u>48,019</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	11,033	9,819
Super-deduction of research and development expense	(1,309)	(1,063)
Tax effect of non-deductible expenses and others	<u>947</u>	<u>270</u>
Total	<u>10,671</u>	<u>9,026</u>

The Company was qualified as a “high and new technology enterprise” (“HNTTE”) in November 2019, and received approval from the relevant governmental authorities for the renewal of its HNTTE status in December 2022. The Company was entitled to the preferential income tax rate of 15% for the years ended 31 December 2024 and 2023.

Qingdao Haier Insurance Agency Co., Ltd. was subject to an income tax rate of 25%, according to the PRC Enterprise Income Tax Law (the “EIT Law”) for the years ended 31 December 2024 and 2023.

The Company’s other subsidiaries in the PRC are recognised as small low-profit enterprises. During the years ended 31 December 2024 and 2023, the portion of annual taxable income which does not exceed RMB 3 million shall be treated as 25% for the purpose of taxable income calculation, and subject to an enterprise income tax at a rate of 20%.

7 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company and the weighted average of shares deemed to be in issue or in issue.

The Company converted into a joint stock company with limited liability and issued 105,895,600 shares with the par value of RMB1.0 each on 14 March 2023. For the purpose of computing basic and diluted earnings per share, the weighted average number of shares deemed to be in issue before the Company's conversion into a joint stock company was determined assuming the conversion into joint stock company had occurred since 1 January 2023, at the conversion ratio established in the conversion in March 2023.

Weighted average number of ordinary shares deemed to be in issue or in issue:

	2024 RMB'000	2023 RMB'000
Ordinary shares deemed to be in issue or in issue as at 1 January	105,896	83,007
Effect of ordinary shares deemed to be in issue	–	21,760
Effect of shares issued by initial public offering	<u>14,217</u>	<u>–</u>
Weighted average number of ordinary shares (deemed to be) issued as at 31 December	<u>120,113</u>	<u>104,767</u>

	2024 RMB'000	2023 RMB'000
Net profit attributable to equity shareholders of the Company (RMB'000)	46,657	40,372
Weighted average number of ordinary shares (deemed to be) issued as at 31 December ('000)	120,113	104,767
Basic earnings per share attributable to equity shareholders of the Company (in RMB per share)	<u>0.39</u>	<u>0.39</u>

Diluted earnings per share for the years ended 31 December 2024 and 2023 were the same as the basic earnings per share as there were no potential dilutive ordinary shares in existence during the year.

8 PROPERTY, PLANT AND EQUIPMENT

	Electronic equipment <i>RMB'000</i>	Office and other equipment <i>RMB'000</i>	Total <i>RMB'000</i>
Cost :			
As at 1 January 2023	748	256	1,004
Additions	<u>148</u>	<u>47</u>	<u>195</u>
As at 31 December 2023/1 January 2024	896	303	1,199
Additions	<u>11</u>	<u>–</u>	<u>11</u>
As at 31 December 2024	<u>907</u>	<u>303</u>	<u>1,210</u>
Accumulated depreciation:			
As at 1 January 2023	(446)	(217)	(663)
Charge for the year	<u>(181)</u>	<u>(31)</u>	<u>(212)</u>
As at 31 December 2023/1 January 2024	(627)	(248)	(875)
Charge for the year	<u>(134)</u>	<u>(9)</u>	<u>(143)</u>
As at 31 December 2024	<u>(761)</u>	<u>(257)</u>	<u>(1,018)</u>
Net book value:			
As at 31 December 2023	<u>269</u>	<u>55</u>	<u>324</u>
As at 31 December 2024	<u>146</u>	<u>46</u>	<u>192</u>

9 INTANGIBLE ASSETS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost:		
As at 1 January	1,430	1,430
Additions	<u>–</u>	<u>–</u>
As at 31 December	<u>1,430</u>	<u>1,430</u>
Accumulated amortisation:		
As at 1 January	(1,430)	(1,287)
Charge for the year	<u>–</u>	<u>(143)</u>
As at 31 December	<u>(1,430)</u>	<u>(1,430)</u>
Net book value:		
As at 31 December	<u><u>–</u></u>	<u><u>–</u></u>

10 RIGHT-OF-USE ASSETS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost:		
At 1 January	1,011	1,381
Inception of leases	2,767	1,924
Expiration of leases and early termination	<u>(1,949)</u>	<u>(2,294)</u>
At 31 December	<u>1,829</u>	<u>1,011</u>
Accumulated depreciation:		
At 1 January	(550)	(823)
Charge for the year	(1,055)	(1,953)
Expiration of leases and early termination	<u>1,500</u>	<u>2,226</u>
At 31 December	<u>(105)</u>	<u>(550)</u>
Net book value:		
At 31 December	<u>1,724</u>	<u>461</u>

The Group has obtained the right to use other properties as its place of business through tenancy agreements. The leases typically run for an initial period within 1-2 years.

11 ACCOUNTS AND BILLS RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Accounts and bills receivables	42,048	30,897
Less: loss allowance	<u>(83)</u>	<u>(91)</u>
Accounts and bills receivables, net	<u>41,965</u>	<u>30,806</u>

Ageing analysis

As at the end of each of the year, the ageing analysis of accounts and bills receivables, based on the invoice date and net of loss allowance, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months (inclusive)	41,277	28,966
3 months to 6 months (inclusive)	596	455
Over 6 months	<u>92</u>	<u>1,385</u>
Accounts and bills receivables, net.	<u>41,965</u>	<u>30,806</u>

12 CONTRACT COSTS AND OTHER ASSETS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Prepayments to suppliers	4,319	–
Costs to fulfill contracts	2,508	1,263
Input value-added tax to be deducted	788	1,582
Prepaid listing expenses	–	7,682
Others	129	151
	<u> </u>	<u> </u>
Total	<u>7,744</u>	<u>10,678</u>

13 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

(a) Cash and cash equivalents:

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cash at banks		169,691	202,936
Cash at Haier Group Finance Co., Ltd.	(i)	–	626
Cash at other financial institutions		30	76
		<u> </u>	<u> </u>
Total		<u>169,721</u>	<u>203,638</u>

- (i) Cash at Haier Group Finance Co., Ltd. represents cash balances kept in Haier Group Finance Co., Ltd., a related party of the Group, which can be withdrawn by the Group at any time.

(b) Time deposits:

	<i>Note</i>	2024 RMB'000	2023 RMB'000
Current assets			
– Time deposits	(i)	262,638	–
Non-current assets			
– Time deposits	(ii)	<u>136,282</u>	<u>132,277</u>
Total		<u>398,920</u>	<u>132,277</u>

- (i) As at 31 December 2024, current time deposits of the Group represent cash kept in China Construction Bank Co., Ltd, China Merchants Bank Co., Ltd, Shanghai Pudong Development Bank Co., Ltd, and Haier Group Finance Co., Ltd.. The terms of the time deposits are beyond three-month period and within one-year period.
- (ii) Non-Current time deposits of the Group represent cash kept in Hua Xia Bank Co., Ltd. and China Construction Bank Co., Ltd. The terms of the time deposits are beyond one-year period.

(c) Restricted cash:

	<i>Note</i>	2024 RMB'000	2023 RMB'000
Non-current assets			
– Guarantee deposits	(i)	7,736	7,545
Current assets			
– Cash collected on behalf of other parties	(ii)	<u>7,372</u>	<u>4,208</u>
Total		<u>15,108</u>	<u>11,753</u>

- (i) As an insurance agency with nationwide Insurance Intermediary License issued by former China Banking Regulatory Commission, the registered capital of Qingdao Haier Insurance Agency Co., Ltd. is required to be no less than RMB50 million, with 15% of which as a liquidity reserve.
- (ii) Cash collected on behalf of other parties mainly includes insurance premiums collected on behalf of insurance companies and insurance claims collected on behalf of the policyholders but not yet remitted as at the balance sheet dates.

(d) **Reconciliation of profit before taxation to cash generated from operations:**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit before taxation	56,896	48,019
<i>Adjustments for</i>		
Depreciation of property, plant and equipment	143	212
Amortisation of intangible assets	–	143
Depreciation of right-of-use assets	1,055	1,953
(Reversal of)/provision for impairment loss	(8)	34
Interest expense on lease liabilities	28	47
Interest income from time deposits	(7,415)	(5,413)
Foreign exchange gains	(522)	–
Realised gains from financial investments measured at fair value through profit or loss	(411)	–
Operating profit before changes in working capital	49,766	44,995
Changes in working capital		
Increase in accounts and bills receivables	(11,151)	(9,708)
(Increase)/decrease in amounts due from restricted cash	(191)	558
Increase in contract costs and other assets	(4,748)	(914)
Increase/(decrease) in accounts and other payables	5,724	(6,239)
(Decrease)/Increase in contract liabilities	(93)	172
Increase in accrued expenses	172	787
Cash generated from operations	39,479	29,651

(e) **Reconciliation of liabilities arising from financing activities:**

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Lease liabilities	
	2024	2023
	RMB'000	RMB'000
As at 1 January	244	250
Changes from financing cash flows:		
Capital element of lease rentals paid	(3,274)	(1,581)
Interest element of lease rentals paid	(28)	(47)
Other changes:		
Increase in lease liabilities	2,767	1,924
Interest expenses	28	47
Others	263	(349)
As at 31 December	—	244

14 ACCOUNTS AND OTHER PAYABLES

		2024	2023
	<i>Note</i>	RMB'000	RMB'000
Amounts payable to suppliers	(i)	16,329	13,383
Insurance premiums payable	(ii)	2,474	1,628
Accrued listing expenses		1,029	—
Others		7,064	2,678
Total		26,896	17,689

- (i) As at the end of each of the year, the ageing analysis of amounts payable to suppliers, based on the invoice date, is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Within 3 months	16,329	12,178
3 months to 1 year	–	1,152
1 to 2 years	–	53
	<hr/>	<hr/>
Total	<u>16,329</u>	<u>13,383</u>

- (ii) Insurance premium payables are insurance premiums collected on behalf of insurance companies but not yet remitted as at the balance sheet dates.

15 CONTRACT LIABILITIES

- (a) Listed by categories:

	2024 RMB'000	2023 <i>RMB'000</i>
Insurance agency services	781	794
IT services	352	226
Consulting services	–	206
	<hr/>	<hr/>
Total	<u>1,133</u>	<u>1,226</u>

- (b) Movements in contract liabilities are as below:

	2024 RMB'000	2023 <i>RMB'000</i>
Balance at 1 January	1,226	1,054
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(1,226)	(1,054)
Increase in contract liabilities of Insurance agency services	781	794
Increase in contract liabilities of IT services	352	226
Increase in contract liabilities of Consulting services	–	206
	<hr/>	<hr/>
Total	<u>1,133</u>	<u>1,226</u>

16 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation payable in the consolidated statements of financial position represent:

PRC Corporate Income Tax	2024 RMB'000	2023 RMB'000
At 1 January	3,477	4,122
Provision for the year	10,675	9,027
Payments during the year	<u>(9,429)</u>	<u>(9,672)</u>
At 31 December	<u>4,723</u>	<u>3,477</u>

(b) Deferred tax assets and liabilities recognised

(i) *Movement of each component of deferred tax assets and liabilities*

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and their movements during the years are as follows:

Deferred tax arising from:	Impairment loss RMB'000
At 1 January 2023	14
Credit to profit or loss (<i>Note 7(a)</i>)	<u>1</u>
At 31 December 2023 and 1 January 2024	15
Credit to profit or loss (<i>Note 7(a)</i>)	<u>4</u>
At 31 December 2024	<u>19</u>

(ii) **Reconciliation to the consolidated statements of financial position**

	2024 RMB'000	2023 RMB'000
Net deferred tax asset recognised in the consolidated statements of financial position	19	15
Net deferred tax liability recognised in the consolidated statements of financial position	—	—
At the end of the year	<u>19</u>	<u>15</u>

17 CAPITAL AND RESERVES

(a) Paid-in capital/share capital and capital reserve

On 18 January 2023, Shanghai Zhaoqi Management Consulting Partnership (Limited Partnership) and Qingdao Haizhongjie Management Consulting Enterprise (Limited Partnership) injected RMB31.2 million to complement their subscribed capital contributions in comply with the capital increase agreements, signed in 2018 and 2019 respectively. The paid-in capital of the Company was increased from RMB83.0 million to RMB105.9 million, and the capital reserve of the Company was increased from RMB118.7 million to RMB127.0 million after the injection.

Pursuant to the shareholders' resolution and the promoters' agreement dated 6 March 2023, the shareholders of the Company agreed to convert the Company into a joint stock company with limited liability with a registered capital of RMB105.9 million (105,895,600 shares with a nominal value of RMB1.0 each).

On 6 August 2024, 35,300,000 ordinary shares of par value of RMB1 each were issued at a price of HK\$7.00 per ordinary share upon the listing of the shares of the Company's shares. The proceeds of HK\$38,555,638 (equivalent to approximately RMB35,300,000), representing the par value, were credited to the Company's share capital. The share issuance costs paid and payable mainly include underwriting commissions, lawyers' fees, reporting accountants' fee and other related costs, which were incremental costs directly attributable to the issuance of the new shares and were treated as a deduction against the share premium arising from the issuance. The remaining proceeds, net of share issuance costs, of approximately HK\$167,141,425 (equivalent to approximately RMB153,028,003) were credited to the Company's capital reserve account.

(b) PRC statutory reserve

PRC statutory reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group incorporated in the PRC.

In accordance with PRC Company Law, the Group are required to allocate 10% of their profit after taxation, as determined in accordance with the relevant PRC accounting standards, to their respective statutory reserves until the reserves reach 50% of their respective registered capital. For the entity concerned, statutory reserves can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital.

(c) Dividends

No dividends have been paid by the Company during the year.

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Except for Qingdao Haier Insurance Agency Co., Ltd., neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

In accordance with the rules issued by former China Banking and Insurance Regulatory Commission (CBIRC), Qingdao Haier Insurance Agency Co., Ltd. sets aside cash funds as a liquidity reserve.

18 MATERIAL RELATED PARTY TRANSACTIONS

(a) Relationship with related parties

Related parties	Relationship
Haier Group Corporation	Controlling shareholder
Haier Group Corporation's subsidiaries	Companies controlled by Haier Group Corporation
Haier Group Corporation's affiliated companies	Companies under common control or significantly influenced by Haier Group Corporation
Other related parties	Persons related to the Group and other entities identified in note 2(s)

(b) Key management personnel remuneration

	2024 RMB'000	2023 RMB'000
Salaries, allowances and benefits in kind	2,660	2,669
Discretionary bonuses	1,311	1,186
Retirement scheme contributions	252	244
Total	4,223	4,099

(c) The significant related party transactions are summarised as follows:

	2024 RMB'000	2023 RMB'000
Haier Group Corporation and its subsidiaries and affiliated companies		
– Revenue from IT and consulting services	11,863	10,192
– Referral and service fees	(669)	(1,529)
– Interest income	43	3,253
– Finance costs	(26)	(22)
– Sales and marketing expenses	(14)	(35)
– General and administrative expenses and others	(1,541)	(2,338)

(d) The balances of transactions with related parties:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Haier Group Corporation and its subsidiaries and affiliated companies		
– Accounts and bill receivables	7,249	3,958
– Cash and cash equivalent and restricted cash kept in related parties	20,040	4,814
– Accounts and other payables	(1,937)	(2,505)

19 SUBSEQUENT EVENTS

According to the board resolution passed in the board meeting of the Company held on 28 March 2025, the Company proposed to adopt cash dividend payment method for its 2024 profit distribution and distribute a dividend of RMB0.135 (tax inclusive) per share to all shareholders, and based on the total number of issued shares of the Company at 31 December 2024, i.e. 141,195,600 shares, the cash dividend proposed to be distributed totals RMB19,061,406 (tax inclusive). This proposed dividend is subject to the approval of the general meeting of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the past year, there was a sustained weakening of consumer demand for life and health insurance products. Meanwhile, due to the insurance industry policies (in particular the “unity of reporting and action (報行合一)” policy), insurance companies have made adjustments to the commission rates of insurance intermediaries, in particular for long term life and health insurance products, which has exerted significant impacts on the entire insurance intermediary industry. Despite these external challenges, the Group has achieved rapid growth in both operating revenue and net profit through its ecological co-creation and technology empowerment model, diversified product portfolio and sales channels.

During the Reporting Period, the Group reported operating revenue of RMB205.8 million, increased by 18.3% as compared with the corresponding period last year, while net profit reached RMB46.2 million, increased by 18.5% as compared with the corresponding period last year.

(1) Ecosystem Model of Collaboration and Creating Mutual Benefits

The Group has established an ecosystem model of “collaboration and creating mutual benefits”, in which we are responsible for exploring market opportunities, integrating resources and promoting value creation among various parties. For our insurance customers, we customise the best insurance solutions according to different risk scenarios and provide the best user experience. For insurance companies, we provide customised support for insurance solutions from time to time, and implement risk mitigation measures through technological means, thus helping insurance companies improve claims accuracy. For our partners, we empower the ecosystem with our professional and digital capabilities, and work together to develop risk solutions that enable the participants in the ecosystem to realise their respective values and enjoy the benefits created, thereby achieving more stable and sustainable development.

(2) Diversified Insurance Products

Our insurance products cover four major categories: (i) property insurance products, (ii) life and health insurance products, (iii) accident insurance products and (iv) automobile insurance products, which meet the mainstream demand in the market. We provide professional services in the major stages of insurance business, covering risk assessment and product selection, policy confirmation, premium payment, policy management and insurance claims, etc. We also help users to efficiently complete the operations of each stage through our online platform, thereby enhancing the user experience.

(3) Empowering Businesses with Technology while Realising External Output

Since our establishment, we have strategically focused on the digital transformation trends within the insurance intermediary industry and continuously intensified our investment in digital R&D for technology. Leveraging decades of accumulated IT expertise and domain knowledge, we have successfully developed a series of mature insurance-related systems and AI-powered service solutions. During the Reporting Period, our self-developed “Corporate Interactive Service Platform (企業交互服務平台)” demonstrated outstanding performance and contributed to insurance premium of approximately RMB51.2 million for our insurance agency business, increased by 123.6% as compared with the corresponding period last year, emerging as a key growth driver for our insurance agency business. To date, our Group has offered digital solutions to multiple industries, including insurance companies, financial institutions, educational organisations, and technology enterprises. For the Reporting Period, revenue generated from our IT services amounted to RMB17.0 million, with a compound annual growth rate of 142.0% from 2021 to 2024.

OUTLOOK

The Group’s long-term strategic goal is to focus on to the differentiated model of technology + scenario + ecosystem to support the continuous iteration of user experience.

- (1) continuous expansion of the ecosphere: combining the business model of co-creation of ecosystems, the Group will continue to expand its ecosphere by establishing links with more companies to provide more product solutions for insurance users, while extending its services from insurance to the outside to provide insurance users with ecological services that start from insurance but go beyond insurance, so as to significantly increase the stickiness of insurance products that do not have a high frequency of interactions, and enhance the sense of achievement and participation of insurance users, thereby fostering lifelong insurance users.
- (2) embracing AI proactively: the Company plans to deepen its “AI+” strategy and focuses on the following areas:
 - ① AI+ Risk Reduction: Relying on the big model and big data technology, through the integration of fixed IoT devices and mobile robots in warehouses, the Company will construct all-around information collection connecting points to build a seamless perception network; real-time data will be transferred to the AI risk management model to realise intelligent classified management, real-time alert and real-time intervention to ensure that risks are prevented in advance, which will significantly enhance the level of intelligence in warehouse safety management and the emergency response efficiency, and provide strong technological protection for the security of corporate asset.

- ② intelligent customer service: the Company intends to build a service platform that can both respond quickly and analyse customer needs in depth by connecting to the technology platform of AI large model and combining multi-scenario small model, the Agent; the system adopts a layered architecture design, first responding to common problems quickly through multi-scenario small model, the Agent (such as daily Q&A, product service and claims service). When encountering complex or unsolvable problems, the system will automatically escalate the problems to AI large model for in-depth analysis and detailed answers, ensuring that every customer request is responded to with high quality and user satisfaction is enhanced.
- ③ intelligent claims: the system utilises the large model and rules engine to realise the intelligent collection of national medical bills with full breakdowns and dynamic correction of the standard database, which improves the accuracy rate of collection and creates an intelligent claims platform; the platform is adapted to the precise claims algorithm, which can automatically label the risk of cases and support the fine-tuning of contractual allocation, which helps the insurance company to improve the efficiency of claims and reasonably reduce the loss.

(3) selective investments and acquisitions in insurance intermediary and fintech industry

The Group intends to carry out selective investments and acquisitions in insurance intermediary and fintech industry to further accelerate the development of our business and strengthen our competitiveness. When selecting the investment and acquisition targets, the Group will mainly consider whether they can complement our business in terms of technical capabilities, resource channels or talent teams. As at the date of this announcement, the Group has not identified any potential investment or acquisition target nor entered into any binding commitment for any strategic investments and acquisitions.

FINANCIAL REVIEW

1. Analysis of Revenue and Profit

The Group's revenue was generated from: (i) insurance agency business; (ii) IT services; and (iii) consulting services. The Group's revenue increased by 18.3% from approximately RMB174.0 million for the year ended 31 December 2023 to approximately RMB205.8 million for the year ended 31 December 2024, mainly due to the increase in revenue generated from our insurance agency business.

Our commission income generated from insurance agency business increased by 20.6% from RMB155.7 million for the year ended 31 December 2023 to approximately RMB187.7 million for the year ended 31 December 2024, primarily attributable to (i) the further optimisation of the Corporate Insurance Interactive Service Platform of the Group, which launched more diversified offerings of property insurance products resulting in the increase in revenue; and (ii) the addition of new strategic channel partners, which brought more incremental business in Henan and Jilin regions as well as business expansion in the existing cooperative channels and increased distribution of accident and automobile insurance products.

Our revenue generated from IT services increased by 7.6% from RMB15.8 million for the year ended 31 December 2023 to approximately RMB17.0 million for the year ended 31 December 2024 mainly because we obtained more IT projects as the market continued to recognise our digital capabilities.

Gross Profit and Gross Profit Margin

Our overall gross profit increased by 5.8% from RMB74.5 million for the year ended 31 December 2023 to approximately RMB78.8 million for the year ended 31 December 2024, primarily due to the increase in gross profit from insurance agency business.

Our overall gross profit margin decreased from approximately 42.8% for the year ended 31 December 2023 to approximately 38.3% for the year ended 31 December 2024, primarily due to the decrease in gross profit margin of our insurance agency business from 41.1% in the corresponding period last year to 36.8% in the Reporting Period. The decrease was primarily attributable to (i) the increase in proportion of commission income contributed by the distribution of accident insurance products and automobile insurance products, both with comparatively lower gross profit margins; and (ii) a decrease in the commission income of the life and health insurance products with higher gross profit margin due to the continued decline in consumer demand for certain life and health insurance products as a result of the overall economic uncertainty.

Other Income

Other income decreased from approximately RMB11.3 million for the year ended 31 December 2023 to approximately RMB10.7 million for the year ended 31 December 2024, primarily due to the decrease in government grants.

Research and Development Costs

For the years ended 31 December 2023 and 2024, our research and development costs were RMB7.1 million and RMB7.2 million, respectively. The research and development costs remained stable.

General and Administrative Expenses

Our general and administrative expenses decreased from approximately RMB18.6 million for the year ended 31 December 2023 to approximately RMB16.4 million for the year ended 31 December 2024, primarily due to the decrease in listing expenses recognised during the Reporting Period.

Selling and Marketing Costs

Our sales and marketing cost decreased from approximately RMB11.9 million for the year ended 31 December 2023 to approximately RMB8.8 million for the year ended 31 December 2024, primarily due to the decrease in staff costs and as a result of the optimisation of our business process and the efficiency of our organisation leading to the reduction in the number of in-house sales executives and depreciation of right-of-use assets.

Finance Costs

Our finance costs were RMB0.2 million and RMB0.2 million for the years ended 31 December 2023 and 2024, respectively. The finance costs remained stable year-on-year.

Income Tax

Our income tax increased from approximately RMB9.0 million for the year ended 31 December 2023 to approximately RMB 10.7 million for the year ended 31 December 2024.

Profit

As a result of the foregoing, our profit for the year increased by 18.5% from approximately RMB39.0 million for the year ended 31 December 2023 to approximately RMB46.2 million for the year ended 31 December 2024. Our net profit margin remained stable at 22.4% and 22.4% for the year ended 31 December 2023 and 2024, respectively.

2. Financial Position

Items	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Non-current assets	145,953	140,665
Current assets	489,440	249,287
Current liabilities	<u>37,021</u>	<u>26,733</u>
Net assets	<u>598,372</u>	<u>363,219</u>

The Group's net assets increased from RMB363.2 million as at 31 December 2023 to RMB598.4 million as at 31 December 2024.

Cash and Cash Equivalents and Time Deposits in Other Financial Assets

Items	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Cash and cash equivalents	169,721	203,638
Time deposits		
– Current assets	262,638	–
Time deposits		
– Non-current assets	<u>136,282</u>	<u>132,277</u>
Total	<u>568,641</u>	<u>335,915</u>

The Group's total cash and cash equivalents and time deposits in other financial assets increased from RMB335.9 million as at 31 December 2023 to RMB568.6 million as at 31 December 2024.

During the Reporting Period, the Company and Haier Group Finance Co., Ltd. (海爾集團財務有限責任公司) (“**Haier Finance**”) entered into a financial service agreement, pursuant to which the Group has placed a time deposit in the sum of RMB20 million with Haier Finance. For details of the connected transaction, please refer to the announcement of the Company dated 13 November 2024.

3. Analysis of Changes on Cash Flow

Items	For the year ended	
	31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents at the beginning of the period	203,638	23,546
Net cash generated from operating activities	30,050	19,979
Net cash (used in)/generated from investing activities	(258,827)	138,224
Net cash generated from financing activities	194,338	21,889
Effect of changes in foreign currency exchange rates	522	–
Cash and cash equivalents at the end of the period	169,721	203,638

- (a) The net cash inflow from operating activities of the Group increased from RMB20.0 million in the corresponding period last year to RMB30.1 million in the Reporting Period, which was mainly attributable to the increase in operating profit and improvement in operational efficiency during the Reporting Period.
- (b) The Group's net cash outflow from investing activities for the Reporting Period amounted to RMB258.8 million, compared with the net cash inflow of RMB138.2 million for the corresponding period last year, as detailed below:

Items	For the year ended	
	31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cash generated from retrieving deposits	–	265,000
Proceeds from interests received	603	3,419
Payment for the purchase of property, plant and equipment	(11)	(195)
Payment for the purchase of time deposits	(259,830)	(130,000)
Payment for the purchase of investments	(17,811)	–
Cash generated from retrieving investments	18,222	–
Net cash (used in)/generated from investing activities	(258,827)	138,224

- (c) The net cash inflow from the Group's financing activities for the Reporting Period amounted to RMB194.3 million, compared with the net cash inflow of RMB21.9 million for the corresponding period last year, as detailed below:

Items	For the year ended	
	31 December	
	2024	2023
	RMB'000	RMB'000
Capital contributions from shareholders	–	31,199
Gross proceeds from the issuance of shares by initial public offering	215,967	–
Capital contributions from non-controlling interests	600	–
Listing expenses paid	(18,927)	(7,682)
Capital element of lease rentals paid	(3,274)	(1,581)
Interest element of lease rentals paid	(28)	(47)
Net cash generated from financing activities	<u>194,338</u>	<u>21,889</u>

Liquidity and Financial Resources

As at 31 December 2024, the current net assets of the Group amounted to RMB452.4 million (31 December 2023: RMB222.6 million). The Group's cash and cash equivalents and time deposits as at 31 December 2024 amounted to RMB568.6million (31 December 2023: RMB335.9 million).

The Group will have sufficient liquidity to ensure meeting its working capital requirements in the coming year, as well as maintaining financial flexibility for future strategic investment opportunities.

Gearing Ratio

As at 31 December 2024, the Group's gearing ratio was not applicable (31 December 2023: 0.07%), The Board was of the opinion that the Group was at a sound financial position.

Bank Borrowings

As at 31 December 2024, the Group's bank borrowings were nil (31 December 2023: nil).

Contingent liabilities

As at 31 December 2024, the Group did not have any material contingent liabilities.

Capital Expenditures

During the Reporting Period, the Group incurred capital expenditure of RMB11,000 (2023: RMB0.2 million), the majority of which are related to the purchase of electronic equipment to support our business operation.

USE OF PROCEEDS FROM THE LISTING

The Company's shares were listed on the Main Board of the Stock Exchange on 6 August 2024 (“**Listing Date**”). After deducting the underwriting fees and commissions and expenses payable by our Company in connection with the the global offering (the “**Global Offering**”), the final net proceeds from the Global Offering amounted to approximately HK\$198.9 million. The Company expects to utilise these net proceeds for the purposes as set out in the prospectus of the Company dated 29 July 2024 (the “**Prospectus**”).

The following table sets forth the planned use and actual use of the net proceeds from the Listing Date up to 31 December 2024:

Major purposes	Percentage of net proceeds	Planned allocation of total net proceeds (HK\$ million)	Amount utilised as at 31 December 2024 (HK\$ million)	Unutilised net proceeds as at 31 December 2024 (HK\$ million)	Expected timetable of utilisation of the unutilised net proceeds from the Global Offering ⁽¹⁾
Development of insurance agency business	53.8%	107.0	–	107.0	by the end of 2027 ⁽²⁾
Enhancing IT service offerings and research and development capabilities	26.2%	52.1	–	52.1	by the end of 2029 ⁽²⁾
Pursuing selective investment and acquisition	10.0%	19.9	–	19.9	by the end of 2026 ⁽²⁾
General working capital and general corporate purpose	10.0%	19.9	–	19.9	by the end of 2027 ⁽²⁾
Total	100.0%	198.9	–	198.9	

Notes:

- (1) The expected timetable of the unutilised net proceeds is based on the Group's current best estimate of market conditions.
- (2) The Company will deposit the unutilised net proceeds into interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or applicable laws and regulations in other jurisdictions).

FINAL DIVIDEND

The Board proposed the distribution of the final dividend for the year ended 31 December 2024 of RMB0.135 in cash per share (inclusive of tax), totaling approximately RMB19.1 million based on the current total issued capital. This dividend represented approximately 40.9% of the profit attributable to the owners of the Company for the Reporting Period. If any change of the total share capital of the Company occurs before the record date of implementation of dividend distribution, the total amount of distribution is intended to be unchanged, and the distribution ratio per share shall be adjusted accordingly. This dividend distribution proposal shall be subject to consideration and approval at the Company's 2024 annual general meeting, and the final dividend shall be distributed to shareholders of the Company within two months from the date of the Company's 2024 annual general meeting. Dividends on H shares should be paid in foreign currencies. The date of annual general meeting and details of relevant book closure of H Shares, as well as the arrangement of book closure of H Shares for the final dividend, will be announced in the notice of the 2024 annual general meeting of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Code

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. The Company will constantly review and enhance its internal controls and procedures in light of changes in regulations and developments in best practices.

Save as disclosed below, the Company has complied with all the principles and code provisions set out in the CG Code during the period from the Listing Date and up to the date of this announcement.

Pursuant to the code provision C.2.1 of Part 2 of the CG Code, the responsibilities between the chairman and the chief executive officer should be separate and should not be performed by the same individual, and listed companies on the Stock Exchange should comply with the relevant requirements but may choose to deviate from such requirement. The Company does not have a separate chairman and chief executive officer, and Mr. Lu Yao is currently holding both roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of the chairman of the Board and the chief executive officer of the Company at an appropriate time taking into account the circumstances of the Group as a whole.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code and to maintain a high standard of corporate governance practices of the Company.

Model Code for Securities Transactions

Since the Listing Date, the Company has adopted a code of conduct regarding Directors' and Supervisors' securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rule.

Having made specific enquiries with all Directors and Supervisors, each of the Directors and Supervisors confirmed that he/she has complied with the required standards set out in the Model Code since the Listing Date and up to the date of this announcement. At the same time, the Company is not aware of any non-compliance with the Model Code by the relevant employees since the Listing Date and up to the date of this announcement.

Purchase, Sale or Redemption of Listed Securities

During the year ended 31 December 2024, except for the shares issued pursuant to the Global Offering, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares).

AUDIT COMMITTEE AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company (the “**Audit Committee**”) assists the Board in discharging its responsibilities of corporate governance, financial reporting and corporate governance. The responsibilities of the Audit Committee include reviewing the annual report and accounts, interim report and draft quarterly reports and providing recommendations and advice to the Board. The Audit Committee currently consists of three independent non-executive Directors, namely, Mr. Chung Wai Man, Ms. Fang Qiaoling and Ms. Ng Sin Kiu. The Audit Committee is chaired by Mr. Chung Wai Man, who has appropriate professional accounting qualifications and financial management expertise as required under the Listing Rules.

The Audit Committee, together with the management of the Company and the external auditor, have reviewed the accounting principles and policies adopted by the Group and discussed internal control and financial reporting matters, including the review of the audited consolidated financial statements of the Group for the Reporting Period and are of the opinion that such financial statements have been prepared in accordance with applicable accounting standards, the requirements of the Listing Rules and other applicable legal requirements and that adequate disclosures have been made.

SIGNIFICANT EVENTS AFTER THE PERIOD

Save as disclosed above, the Group did not have any significant subsequent events that are required to be disclosed after 31 December 2024.

SCOPE OF WORK OF THE AUDITOR FOR ANNUAL RESULTS ANNOUNCEMENT

The figures in the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other statement of comprehensive income for the reporting period and the related notes thereto as set out in this results announcement have been agreed by KPMG, the Group’s auditor, to be consistent with the figures set out in the Group’s consolidated financial statements for the Reporting Period. KPMG’s work in this respect did not constitute an 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 accordingly, KPMG has not issued any assurance on this results announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND 2024 ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.haierbx.net). The annual report of the Company for the Reporting Period containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

ACKNOWLEDGEMENT

The Board would like to express its sincere gratitude to the management and all staff of the Group for their hard work and contributions during the Reporting Period and to the shareholders, business partners and other professionals for their support.

By Order of the Board
Zhongmiao Holdings (Qingdao) Co., Ltd.
Lu Yao
Chairman and Executive Director

Qingdao, the PRC, 28 March 2025

As at the date of this announcement, the executive Directors are Mr. Lu Yao, Mr. Zhang Zhiquan, Ms. Li Tian and Mr. Wang Heping; and the independent non-executive Directors are Ms. Fang Qiaoling, Mr. Chung Wai Man and Ms. Ng Sin Kiu.